

1 AN ACT concerning revenue.

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

4 ARTICLE 5.

5 Section 5-5. The Department of Revenue Law of the Civil  
6 Administrative Code of Illinois is amended by adding Section  
7 2505-815 as follows:

8 (20 ILCS 2505/2505-815 new)

9 Sec. 2505-815. County Official Compensation Task Force.

10 (a) The County Official Compensation Task Force is created  
11 to review the compensation of county-level officials as  
12 provided for in various State statutes and to make  
13 recommendations to the General Assembly on any appropriate  
14 changes to those statutes, including implementation dates.

15 (b) The members of the Task Force shall be as follows:

16 (1) the Director of Revenue or the Director's  
17 designee, who shall serve as the chair of the Task Force;

18 (2) two representatives from a statewide organization  
19 that represents chief county assessment officers, with one  
20 representative from a county with a 2020 population of  
21 fewer than 25,000 persons and one representative from a  
22 county with a 2020 population of 25,000 or more, to be

1 appointed by the Director of Revenue;

2 (3) two representatives from a statewide organization  
3 that represents county auditors, with one representative  
4 from a county with a 2020 population of fewer than 25,000  
5 persons and one representative from a county with a 2020  
6 population of 25,000 or more, to be appointed by the  
7 Director of Revenue;

8 (4) two representatives from a statewide organization  
9 that represents county clerks and recorders, with one  
10 representative from a county with a 2020 population of  
11 fewer than 25,000 persons and one representative from a  
12 county with a 2020 population of 25,000 or more, to be  
13 appointed by the Director of Revenue;

14 (5) two representatives from a statewide organization  
15 that represents circuit clerks, with one representative  
16 from a county with a 2020 population of fewer than 25,000  
17 persons and one representative from a county with a 2020  
18 population of 25,000 or more, to be appointed by the Chief  
19 Justice of the Supreme Court;

20 (6) two representatives from a statewide organization  
21 that represents county treasurers, with one representative  
22 from a county with a 2020 population of fewer than 25,000  
23 persons and one representative from a county with a 2020  
24 population of 25,000 or more, to be appointed by the  
25 Director of Revenue;

26 (7) four representatives from a statewide organization

1 that represents county board members, with 2  
2 representatives from counties with a 2020 population of  
3 fewer than 25,000 persons and 2 representatives from  
4 counties with a 2020 population of 25,000 or more, to be  
5 appointed by the Governor; and

6 (8) four members from the General Assembly, with one  
7 member appointed by the President of the Senate, one  
8 member appointed by the Senate Minority Leader, one member  
9 appointed by the Speaker of the House of Representatives,  
10 and one member appointed by the House Minority Leader.

11 (c) The Department of Revenue shall provide administrative  
12 and other support to the Task Force.

13 (d) The Task Force's review shall include, but is not  
14 limited to, the following subjects:

15 (1) a review and comparison of current statutory  
16 provisions and requirements for compensation of  
17 county-level officials;

18 (2) the proportion of salary and related costs borne  
19 by State government compared to local government;

20 (3) job duties, education requirements, and other  
21 requirements of those serving as county-level officials;  
22 and

23 (4) current compensation levels for county-level  
24 officials as compared to comparable positions in  
25 non-governmental positions and comparable positions in  
26 other levels of government.



1 student debt burden of those workers.

2 Section 10-10. Definitions. As used in this Act:

3 "Commission" means the Illinois Student Assistance  
4 Commission.

5 "Full-time employee" means an individual who is employed  
6 for consideration for at least 35 hours each week.

7 "Program" means the Workforce Development Through  
8 Charitable Loan Repayment Program established under this Act.

9 "Qualified community foundation" means a community  
10 foundation or similar publicly supported organization  
11 described in Section 170(b)(1)(A)(vi) of the Internal Revenue  
12 Code of 1986 that (i) is organized or operating in this State,  
13 (ii) substantially complies, as determined by the Commission,  
14 with the national standards for United States community  
15 foundations established by the Community Foundations National  
16 Standards or a successor entity, and (iii) is approved by the  
17 Commission for participation in the Program as provided in  
18 Section 10-17.

19 "Qualified worker" means an individual who meets all of  
20 the following:

21 (1) the individual is a full-time employee of a  
22 business that meets one or more of the following:

23 (A) the business is a qualified new business  
24 venture that is registered with the Department of  
25 Commerce and Economic Opportunity under Section 220 of

1 the Illinois Income Tax Act;

2 (B) the business is primarily engaged in a  
3 targeted growth industry;

4 (C) the business is a minority-owned business, a  
5 women-owned business, or a business owned by a person  
6 with a disability, as those terms are defined in the  
7 Business Enterprise for Minorities, Women, and Persons  
8 with Disabilities Act; or

9 (D) the business is a not-for-profit corporation,  
10 as defined in the General Not For Profit Corporation  
11 Act of 1986;

12 (2) the individual is employed by the business  
13 described in paragraph (1) at a job site that is located in  
14 an Enterprise Zone, an Opportunity Zone, an underserved  
15 area, or an area that has a bachelor's degree attainment  
16 rate for the population that is below the State or  
17 national average for the population, as determined by the  
18 United States Census Bureau; and

19 (3) the individual (i) received an associate degree or  
20 higher and has an outstanding balance due on a qualified  
21 education loan, as defined in Section 221 of the Internal  
22 Revenue Code, or (ii) accrued educational debt while  
23 pursuing skilled trades and related schooling.

24 "Student loan repayment assistance" means grants or  
25 post-graduation scholarships made by a community foundation  
26 directly to a student loan servicer on behalf of a qualified

1 worker.

2 "Targeted growth industry" means one or more of the  
3 following:

- 4 (1) advanced manufacturing;
- 5 (2) agribusiness and food processing;
- 6 (3) transportation distribution and logistics;
- 7 (4) life sciences and biotechnology;
- 8 (5) business and professional services; or
- 9 (6) energy.

10 "Underserved area" has the meaning given to that term in  
11 Section 5-5 of the Economic Development for a Growing Economy  
12 Tax Credit Act.

13 Section 10-15. Establishment of the Program;  
14 advertisement. The Workforce Development through Charitable  
15 Loan Repayment Program is hereby created for the purpose of  
16 facilitating student loan repayment assistance for qualified  
17 workers. The Program shall be administered by qualified  
18 community foundations with the assistance of the Commission.  
19 The Commission shall advertise the program on its website.

20 Section 10-17. Approval to participate in the Program.

21 (a) A qualified community foundation shall apply to the  
22 Commission, in the form and manner prescribed by the  
23 Commission, for eligibility to participate in the Program  
24 under this Act. Each application shall include:

1           (1) documentary evidence that the qualified community  
2 foundation meets the qualifications under Section  
3 170(b)(1)(A)(vi) of the Internal Revenue Code and  
4 substantially complies with the standards established by  
5 Community Foundations National Standards;

6           (2) a list of the names and addresses of all members of  
7 the governing board of the qualified community foundation;  
8 and

9           (3) a copy of the most recent financial audit of the  
10 qualified community foundation's accounts and records  
11 conducted by an independent certified public accountant in  
12 accordance with auditing standards generally accepted in  
13 the United States, government auditing standards, and  
14 rules adopted by the Commission.

15           (b) The Commission shall review and either approve or deny  
16 each application for participation. Applicants shall be  
17 notified of the status of their application within a  
18 reasonable amount of time after the completed application is  
19 received.

20           (c) The Commission may provide, by rule, that qualified  
21 community foundations that are eligible to participate in tax  
22 incentive programs administered by other State agencies are  
23 automatically eligible to participate in the Program under  
24 this Section.

25           Section 10-20. Applications. Each qualified community



1 foundation shall establish an application process for  
2 qualified workers to receive student loan repayment assistance  
3 from the qualified community foundation in accordance with  
4 this Act and rules adopted for the implementation of this Act  
5 by the Commission. If necessary due to limited funds, the  
6 qualified community foundation shall give priority to  
7 applicants with a higher student debt-to-income ratio when  
8 awarding student loan repayment assistance under the Program.

9 Section 10-25. Eligibility; work requirement. Each  
10 individual qualified community foundation shall certify the  
11 eligibility of qualified workers to receive student loan  
12 repayment assistance and establish work requirements in  
13 accordance with this Act, rules adopted by the Commission, and  
14 the requirements of the individual qualified community  
15 foundation.

16 Section 10-30. Administration; rules. Qualified community  
17 foundations shall administer the Program under this Act and  
18 shall issue to qualified workers any forms required by the  
19 Commission or the Department of Revenue. The Commission shall  
20 adopt rules for the Program's effective implementation, except  
21 that rules regarding the documentation necessary to deduct  
22 student loan repayment assistance from the worker's income  
23 under subparagraph (LL) of subsection (a) of Section 203 of  
24 the Illinois Income Tax Act may be adopted by the Department of

1 Revenue in consultation with the Commission. Individual  
2 qualified community foundations may impose requirements for  
3 participation in the Program, which shall not be inconsistent  
4 with this Act or the rules adopted by the Commission or the  
5 Department of Revenue in connection with this Act.

6 Section 10-35. Reporting. Each qualified community  
7 foundation shall submit an annual report to the Commission  
8 summarizing its loan repayment activity under the Program.  
9 Reports under this Section shall be submitted in the form and  
10 manner prescribed by the Commission.

11 Section 10-900. The Illinois Income Tax Act is amended by  
12 changing Section 203 as follows:

13 (35 ILCS 5/203)

14 Sec. 203. Base income defined.

15 (a) Individuals.

16 (1) In general. In the case of an individual, base  
17 income means an amount equal to the taxpayer's adjusted  
18 gross income for the taxable year as modified by paragraph  
19 (2).

20 (2) Modifications. The adjusted gross income referred  
21 to in paragraph (1) shall be modified by adding thereto  
22 the sum of the following amounts:

23 (A) An amount equal to all amounts paid or accrued

1 to the taxpayer as interest or dividends during the  
2 taxable year to the extent excluded from gross income  
3 in the computation of adjusted gross income, except  
4 stock dividends of qualified public utilities  
5 described in Section 305(e) of the Internal Revenue  
6 Code;

7 (B) An amount equal to the amount of tax imposed by  
8 this Act to the extent deducted from gross income in  
9 the computation of adjusted gross income for the  
10 taxable year;

11 (C) An amount equal to the amount received during  
12 the taxable year as a recovery or refund of real  
13 property taxes paid with respect to the taxpayer's  
14 principal residence under the Revenue Act of 1939 and  
15 for which a deduction was previously taken under  
16 subparagraph (L) of this paragraph (2) prior to July  
17 1, 1991, the retrospective application date of Article  
18 4 of Public Act 87-17. In the case of multi-unit or  
19 multi-use structures and farm dwellings, the taxes on  
20 the taxpayer's principal residence shall be that  
21 portion of the total taxes for the entire property  
22 which is attributable to such principal residence;

23 (D) An amount equal to the amount of the capital  
24 gain deduction allowable under the Internal Revenue  
25 Code, to the extent deducted from gross income in the  
26 computation of adjusted gross income;

1           (D-5) An amount, to the extent not included in  
2           adjusted gross income, equal to the amount of money  
3           withdrawn by the taxpayer in the taxable year from a  
4           medical care savings account and the interest earned  
5           on the account in the taxable year of a withdrawal  
6           pursuant to subsection (b) of Section 20 of the  
7           Medical Care Savings Account Act or subsection (b) of  
8           Section 20 of the Medical Care Savings Account Act of  
9           2000;

10           (D-10) For taxable years ending after December 31,  
11           1997, an amount equal to any eligible remediation  
12           costs that the individual deducted in computing  
13           adjusted gross income and for which the individual  
14           claims a credit under subsection (l) of Section 201;

15           (D-15) For taxable years 2001 and thereafter, an  
16           amount equal to the bonus depreciation deduction taken  
17           on the taxpayer's federal income tax return for the  
18           taxable year under subsection (k) of Section 168 of  
19           the Internal Revenue Code;

20           (D-16) If the taxpayer sells, transfers, abandons,  
21           or otherwise disposes of property for which the  
22           taxpayer was required in any taxable year to make an  
23           addition modification under subparagraph (D-15), then  
24           an amount equal to the aggregate amount of the  
25           deductions taken in all taxable years under  
26           subparagraph (Z) with respect to that property.

1           If the taxpayer continues to own property through  
2           the last day of the last tax year for which a  
3           subtraction is allowed with respect to that property  
4           under subparagraph (Z) and for which the taxpayer was  
5           allowed in any taxable year to make a subtraction  
6           modification under subparagraph (Z), then an amount  
7           equal to that subtraction modification.

8           The taxpayer is required to make the addition  
9           modification under this subparagraph only once with  
10          respect to any one piece of property;

11          (D-17) An amount equal to the amount otherwise  
12          allowed as a deduction in computing base income for  
13          interest paid, accrued, or incurred, directly or  
14          indirectly, (i) for taxable years ending on or after  
15          December 31, 2004, to a foreign person who would be a  
16          member of the same unitary business group but for the  
17          fact that foreign person's business activity outside  
18          the United States is 80% or more of the foreign  
19          person's total business activity and (ii) for taxable  
20          years ending on or after December 31, 2008, to a person  
21          who would be a member of the same unitary business  
22          group but for the fact that the person is prohibited  
23          under Section 1501(a)(27) from being included in the  
24          unitary business group because he or she is ordinarily  
25          required to apportion business income under different  
26          subsections of Section 304. The addition modification

1 required by this subparagraph shall be reduced to the  
2 extent that dividends were included in base income of  
3 the unitary group for the same taxable year and  
4 received by the taxpayer or by a member of the  
5 taxpayer's unitary business group (including amounts  
6 included in gross income under Sections 951 through  
7 964 of the Internal Revenue Code and amounts included  
8 in gross income under Section 78 of the Internal  
9 Revenue Code) with respect to the stock of the same  
10 person to whom the interest was paid, accrued, or  
11 incurred.

12 This paragraph shall not apply to the following:

13 (i) an item of interest paid, accrued, or  
14 incurred, directly or indirectly, to a person who  
15 is subject in a foreign country or state, other  
16 than a state which requires mandatory unitary  
17 reporting, to a tax on or measured by net income  
18 with respect to such interest; or

19 (ii) an item of interest paid, accrued, or  
20 incurred, directly or indirectly, to a person if  
21 the taxpayer can establish, based on a  
22 preponderance of the evidence, both of the  
23 following:

24 (a) the person, during the same taxable  
25 year, paid, accrued, or incurred, the interest  
26 to a person that is not a related member, and

1 (b) the transaction giving rise to the  
2 interest expense between the taxpayer and the  
3 person did not have as a principal purpose the  
4 avoidance of Illinois income tax, and is paid  
5 pursuant to a contract or agreement that  
6 reflects an arm's-length interest rate and  
7 terms; or

8 (iii) the taxpayer can establish, based on  
9 clear and convincing evidence, that the interest  
10 paid, accrued, or incurred relates to a contract  
11 or agreement entered into at arm's-length rates  
12 and terms and the principal purpose for the  
13 payment is not federal or Illinois tax avoidance;  
14 or

15 (iv) an item of interest paid, accrued, or  
16 incurred, directly or indirectly, to a person if  
17 the taxpayer establishes by clear and convincing  
18 evidence that the adjustments are unreasonable; or  
19 if the taxpayer and the Director agree in writing  
20 to the application or use of an alternative method  
21 of apportionment under Section 304(f).

22 Nothing in this subsection shall preclude the  
23 Director from making any other adjustment  
24 otherwise allowed under Section 404 of this Act  
25 for any tax year beginning after the effective  
26 date of this amendment provided such adjustment is

1           made pursuant to regulation adopted by the  
2           Department and such regulations provide methods  
3           and standards by which the Department will utilize  
4           its authority under Section 404 of this Act;

5           (D-18) An amount equal to the amount of intangible  
6           expenses and costs otherwise allowed as a deduction in  
7           computing base income, and that were paid, accrued, or  
8           incurred, directly or indirectly, (i) for taxable  
9           years ending on or after December 31, 2004, to a  
10          foreign person who would be a member of the same  
11          unitary business group but for the fact that the  
12          foreign person's business activity outside the United  
13          States is 80% or more of that person's total business  
14          activity and (ii) for taxable years ending on or after  
15          December 31, 2008, to a person who would be a member of  
16          the same unitary business group but for the fact that  
17          the person is prohibited under Section 1501(a)(27)  
18          from being included in the unitary business group  
19          because he or she is ordinarily required to apportion  
20          business income under different subsections of Section  
21          304. The addition modification required by this  
22          subparagraph shall be reduced to the extent that  
23          dividends were included in base income of the unitary  
24          group for the same taxable year and received by the  
25          taxpayer or by a member of the taxpayer's unitary  
26          business group (including amounts included in gross



1 income under Sections 951 through 964 of the Internal  
2 Revenue Code and amounts included in gross income  
3 under Section 78 of the Internal Revenue Code) with  
4 respect to the stock of the same person to whom the  
5 intangible expenses and costs were directly or  
6 indirectly paid, incurred, or accrued. The preceding  
7 sentence does not apply to the extent that the same  
8 dividends caused a reduction to the addition  
9 modification required under Section 203(a)(2)(D-17) of  
10 this Act. As used in this subparagraph, the term  
11 "intangible expenses and costs" includes (1) expenses,  
12 losses, and costs for, or related to, the direct or  
13 indirect acquisition, use, maintenance or management,  
14 ownership, sale, exchange, or any other disposition of  
15 intangible property; (2) losses incurred, directly or  
16 indirectly, from factoring transactions or discounting  
17 transactions; (3) royalty, patent, technical, and  
18 copyright fees; (4) licensing fees; and (5) other  
19 similar expenses and costs. For purposes of this  
20 subparagraph, "intangible property" includes patents,  
21 patent applications, trade names, trademarks, service  
22 marks, copyrights, mask works, trade secrets, and  
23 similar types of intangible assets.

24 This paragraph shall not apply to the following:

25 (i) any item of intangible expenses or costs  
26 paid, accrued, or incurred, directly or

1 indirectly, from a transaction with a person who  
2 is subject in a foreign country or state, other  
3 than a state which requires mandatory unitary  
4 reporting, to a tax on or measured by net income  
5 with respect to such item; or

6 (ii) any item of intangible expense or cost  
7 paid, accrued, or incurred, directly or  
8 indirectly, if the taxpayer can establish, based  
9 on a preponderance of the evidence, both of the  
10 following:

11 (a) the person during the same taxable  
12 year paid, accrued, or incurred, the  
13 intangible expense or cost to a person that is  
14 not a related member, and

15 (b) the transaction giving rise to the  
16 intangible expense or cost between the  
17 taxpayer and the person did not have as a  
18 principal purpose the avoidance of Illinois  
19 income tax, and is paid pursuant to a contract  
20 or agreement that reflects arm's-length terms;  
21 or

22 (iii) any item of intangible expense or cost  
23 paid, accrued, or incurred, directly or  
24 indirectly, from a transaction with a person if  
25 the taxpayer establishes by clear and convincing  
26 evidence, that the adjustments are unreasonable;

1           or if the taxpayer and the Director agree in  
2           writing to the application or use of an  
3           alternative method of apportionment under Section  
4           304(f);

5           Nothing in this subsection shall preclude the  
6           Director from making any other adjustment  
7           otherwise allowed under Section 404 of this Act  
8           for any tax year beginning after the effective  
9           date of this amendment provided such adjustment is  
10          made pursuant to regulation adopted by the  
11          Department and such regulations provide methods  
12          and standards by which the Department will utilize  
13          its authority under Section 404 of this Act;

14          (D-19) For taxable years ending on or after  
15          December 31, 2008, an amount equal to the amount of  
16          insurance premium expenses and costs otherwise allowed  
17          as a deduction in computing base income, and that were  
18          paid, accrued, or incurred, directly or indirectly, to  
19          a person who would be a member of the same unitary  
20          business group but for the fact that the person is  
21          prohibited under Section 1501(a)(27) from being  
22          included in the unitary business group because he or  
23          she is ordinarily required to apportion business  
24          income under different subsections of Section 304. The  
25          addition modification required by this subparagraph  
26          shall be reduced to the extent that dividends were

1 included in base income of the unitary group for the  
2 same taxable year and received by the taxpayer or by a  
3 member of the taxpayer's unitary business group  
4 (including amounts included in gross income under  
5 Sections 951 through 964 of the Internal Revenue Code  
6 and amounts included in gross income under Section 78  
7 of the Internal Revenue Code) with respect to the  
8 stock of the same person to whom the premiums and costs  
9 were directly or indirectly paid, incurred, or  
10 accrued. The preceding sentence does not apply to the  
11 extent that the same dividends caused a reduction to  
12 the addition modification required under Section  
13 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this  
14 Act;

15 (D-20) For taxable years beginning on or after  
16 January 1, 2002 and ending on or before December 31,  
17 2006, in the case of a distribution from a qualified  
18 tuition program under Section 529 of the Internal  
19 Revenue Code, other than (i) a distribution from a  
20 College Savings Pool created under Section 16.5 of the  
21 State Treasurer Act or (ii) a distribution from the  
22 Illinois Prepaid Tuition Trust Fund, an amount equal  
23 to the amount excluded from gross income under Section  
24 529(c)(3)(B). For taxable years beginning on or after  
25 January 1, 2007, in the case of a distribution from a  
26 qualified tuition program under Section 529 of the

1 Internal Revenue Code, other than (i) a distribution  
2 from a College Savings Pool created under Section 16.5  
3 of the State Treasurer Act, (ii) a distribution from  
4 the Illinois Prepaid Tuition Trust Fund, or (iii) a  
5 distribution from a qualified tuition program under  
6 Section 529 of the Internal Revenue Code that (I)  
7 adopts and determines that its offering materials  
8 comply with the College Savings Plans Network's  
9 disclosure principles and (II) has made reasonable  
10 efforts to inform in-state residents of the existence  
11 of in-state qualified tuition programs by informing  
12 Illinois residents directly and, where applicable, to  
13 inform financial intermediaries distributing the  
14 program to inform in-state residents of the existence  
15 of in-state qualified tuition programs at least  
16 annually, an amount equal to the amount excluded from  
17 gross income under Section 529(c)(3)(B).

18 For the purposes of this subparagraph (D-20), a  
19 qualified tuition program has made reasonable efforts  
20 if it makes disclosures (which may use the term  
21 "in-state program" or "in-state plan" and need not  
22 specifically refer to Illinois or its qualified  
23 programs by name) (i) directly to prospective  
24 participants in its offering materials or makes a  
25 public disclosure, such as a website posting; and (ii)  
26 where applicable, to intermediaries selling the

1 out-of-state program in the same manner that the  
2 out-of-state program distributes its offering  
3 materials;

4 (D-20.5) For taxable years beginning on or after  
5 January 1, 2018, in the case of a distribution from a  
6 qualified ABLE program under Section 529A of the  
7 Internal Revenue Code, other than a distribution from  
8 a qualified ABLE program created under Section 16.6 of  
9 the State Treasurer Act, an amount equal to the amount  
10 excluded from gross income under Section 529A(c) (1) (B)  
11 of the Internal Revenue Code;

12 (D-21) For taxable years beginning on or after  
13 January 1, 2007, in the case of transfer of moneys from  
14 a qualified tuition program under Section 529 of the  
15 Internal Revenue Code that is administered by the  
16 State to an out-of-state program, an amount equal to  
17 the amount of moneys previously deducted from base  
18 income under subsection (a) (2) (Y) of this Section;

19 (D-21.5) For taxable years beginning on or after  
20 January 1, 2018, in the case of the transfer of moneys  
21 from a qualified tuition program under Section 529 or  
22 a qualified ABLE program under Section 529A of the  
23 Internal Revenue Code that is administered by this  
24 State to an ABLE account established under an  
25 out-of-state ABLE account program, an amount equal to  
26 the contribution component of the transferred amount

1           that was previously deducted from base income under  
2           subsection (a)(2)(Y) or subsection (a)(2)(HH) of this  
3           Section;

4           (D-22) For taxable years beginning on or after  
5           January 1, 2009, and prior to January 1, 2018, in the  
6           case of a nonqualified withdrawal or refund of moneys  
7           from a qualified tuition program under Section 529 of  
8           the Internal Revenue Code administered by the State  
9           that is not used for qualified expenses at an eligible  
10          education institution, an amount equal to the  
11          contribution component of the nonqualified withdrawal  
12          or refund that was previously deducted from base  
13          income under subsection (a)(2)(y) of this Section,  
14          provided that the withdrawal or refund did not result  
15          from the beneficiary's death or disability. For  
16          taxable years beginning on or after January 1, 2018:  
17          (1) in the case of a nonqualified withdrawal or  
18          refund, as defined under Section 16.5 of the State  
19          Treasurer Act, of moneys from a qualified tuition  
20          program under Section 529 of the Internal Revenue Code  
21          administered by the State, an amount equal to the  
22          contribution component of the nonqualified withdrawal  
23          or refund that was previously deducted from base  
24          income under subsection (a)(2)(Y) of this Section, and  
25          (2) in the case of a nonqualified withdrawal or refund  
26          from a qualified ABLE program under Section 529A of

1 the Internal Revenue Code administered by the State  
2 that is not used for qualified disability expenses, an  
3 amount equal to the contribution component of the  
4 nonqualified withdrawal or refund that was previously  
5 deducted from base income under subsection (a)(2)(HH)  
6 of this Section;

7 (D-23) An amount equal to the credit allowable to  
8 the taxpayer under Section 218(a) of this Act,  
9 determined without regard to Section 218(c) of this  
10 Act;

11 (D-24) For taxable years ending on or after  
12 December 31, 2017, an amount equal to the deduction  
13 allowed under Section 199 of the Internal Revenue Code  
14 for the taxable year;

15 (D-25) In the case of a resident, an amount equal  
16 to the amount of tax for which a credit is allowed  
17 pursuant to Section 201(p)(7) of this Act;

18 and by deducting from the total so obtained the sum of the  
19 following amounts:

20 (E) For taxable years ending before December 31,  
21 2001, any amount included in such total in respect of  
22 any compensation (including but not limited to any  
23 compensation paid or accrued to a serviceman while a  
24 prisoner of war or missing in action) paid to a  
25 resident by reason of being on active duty in the Armed  
26 Forces of the United States and in respect of any



1 compensation paid or accrued to a resident who as a  
2 governmental employee was a prisoner of war or missing  
3 in action, and in respect of any compensation paid to a  
4 resident in 1971 or thereafter for annual training  
5 performed pursuant to Sections 502 and 503, Title 32,  
6 United States Code as a member of the Illinois  
7 National Guard or, beginning with taxable years ending  
8 on or after December 31, 2007, the National Guard of  
9 any other state. For taxable years ending on or after  
10 December 31, 2001, any amount included in such total  
11 in respect of any compensation (including but not  
12 limited to any compensation paid or accrued to a  
13 serviceman while a prisoner of war or missing in  
14 action) paid to a resident by reason of being a member  
15 of any component of the Armed Forces of the United  
16 States and in respect of any compensation paid or  
17 accrued to a resident who as a governmental employee  
18 was a prisoner of war or missing in action, and in  
19 respect of any compensation paid to a resident in 2001  
20 or thereafter by reason of being a member of the  
21 Illinois National Guard or, beginning with taxable  
22 years ending on or after December 31, 2007, the  
23 National Guard of any other state. The provisions of  
24 this subparagraph (E) are exempt from the provisions  
25 of Section 250;

26 (F) An amount equal to all amounts included in

1           such total pursuant to the provisions of Sections  
2           402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and  
3           408 of the Internal Revenue Code, or included in such  
4           total as distributions under the provisions of any  
5           retirement or disability plan for employees of any  
6           governmental agency or unit, or retirement payments to  
7           retired partners, which payments are excluded in  
8           computing net earnings from self employment by Section  
9           1402 of the Internal Revenue Code and regulations  
10          adopted pursuant thereto;

11           (G) The valuation limitation amount;

12           (H) An amount equal to the amount of any tax  
13           imposed by this Act which was refunded to the taxpayer  
14           and included in such total for the taxable year;

15           (I) An amount equal to all amounts included in  
16           such total pursuant to the provisions of Section 111  
17           of the Internal Revenue Code as a recovery of items  
18           previously deducted from adjusted gross income in the  
19           computation of taxable income;

20           (J) An amount equal to those dividends included in  
21           such total which were paid by a corporation which  
22           conducts business operations in a River Edge  
23           Redevelopment Zone or zones created under the River  
24           Edge Redevelopment Zone Act, and conducts  
25           substantially all of its operations in a River Edge  
26           Redevelopment Zone or zones. This subparagraph (J) is

1 exempt from the provisions of Section 250;

2 (K) An amount equal to those dividends included in  
3 such total that were paid by a corporation that  
4 conducts business operations in a federally designated  
5 Foreign Trade Zone or Sub-Zone and that is designated  
6 a High Impact Business located in Illinois; provided  
7 that dividends eligible for the deduction provided in  
8 subparagraph (J) of paragraph (2) of this subsection  
9 shall not be eligible for the deduction provided under  
10 this subparagraph (K);

11 (L) For taxable years ending after December 31,  
12 1983, an amount equal to all social security benefits  
13 and railroad retirement benefits included in such  
14 total pursuant to Sections 72(r) and 86 of the  
15 Internal Revenue Code;

16 (M) With the exception of any amounts subtracted  
17 under subparagraph (N), an amount equal to the sum of  
18 all amounts disallowed as deductions by (i) Sections  
19 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
20 and all amounts of expenses allocable to interest and  
21 disallowed as deductions by Section 265(a)(1) of the  
22 Internal Revenue Code; and (ii) for taxable years  
23 ending on or after August 13, 1999, Sections  
24 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
25 Internal Revenue Code, plus, for taxable years ending  
26 on or after December 31, 2011, Section 45G(e)(3) of

1           the Internal Revenue Code and, for taxable years  
2           ending on or after December 31, 2008, any amount  
3           included in gross income under Section 87 of the  
4           Internal Revenue Code; the provisions of this  
5           subparagraph are exempt from the provisions of Section  
6           250;

7           (N) An amount equal to all amounts included in  
8           such total which are exempt from taxation by this  
9           State either by reason of its statutes or Constitution  
10          or by reason of the Constitution, treaties or statutes  
11          of the United States; provided that, in the case of any  
12          statute of this State that exempts income derived from  
13          bonds or other obligations from the tax imposed under  
14          this Act, the amount exempted shall be the interest  
15          net of bond premium amortization;

16          (O) An amount equal to any contribution made to a  
17          job training project established pursuant to the Tax  
18          Increment Allocation Redevelopment Act;

19          (P) An amount equal to the amount of the deduction  
20          used to compute the federal income tax credit for  
21          restoration of substantial amounts held under claim of  
22          right for the taxable year pursuant to Section 1341 of  
23          the Internal Revenue Code or of any itemized deduction  
24          taken from adjusted gross income in the computation of  
25          taxable income for restoration of substantial amounts  
26          held under claim of right for the taxable year;

1           (Q) An amount equal to any amounts included in  
2 such total, received by the taxpayer as an  
3 acceleration in the payment of life, endowment or  
4 annuity benefits in advance of the time they would  
5 otherwise be payable as an indemnity for a terminal  
6 illness;

7           (R) An amount equal to the amount of any federal or  
8 State bonus paid to veterans of the Persian Gulf War;

9           (S) An amount, to the extent included in adjusted  
10 gross income, equal to the amount of a contribution  
11 made in the taxable year on behalf of the taxpayer to a  
12 medical care savings account established under the  
13 Medical Care Savings Account Act or the Medical Care  
14 Savings Account Act of 2000 to the extent the  
15 contribution is accepted by the account administrator  
16 as provided in that Act;

17           (T) An amount, to the extent included in adjusted  
18 gross income, equal to the amount of interest earned  
19 in the taxable year on a medical care savings account  
20 established under the Medical Care Savings Account Act  
21 or the Medical Care Savings Account Act of 2000 on  
22 behalf of the taxpayer, other than interest added  
23 pursuant to item (D-5) of this paragraph (2);

24           (U) For one taxable year beginning on or after  
25 January 1, 1994, an amount equal to the total amount of  
26 tax imposed and paid under subsections (a) and (b) of

1 Section 201 of this Act on grant amounts received by  
2 the taxpayer under the Nursing Home Grant Assistance  
3 Act during the taxpayer's taxable years 1992 and 1993;

4 (V) Beginning with tax years ending on or after  
5 December 31, 1995 and ending with tax years ending on  
6 or before December 31, 2004, an amount equal to the  
7 amount paid by a taxpayer who is a self-employed  
8 taxpayer, a partner of a partnership, or a shareholder  
9 in a Subchapter S corporation for health insurance or  
10 long-term care insurance for that taxpayer or that  
11 taxpayer's spouse or dependents, to the extent that  
12 the amount paid for that health insurance or long-term  
13 care insurance may be deducted under Section 213 of  
14 the Internal Revenue Code, has not been deducted on  
15 the federal income tax return of the taxpayer, and  
16 does not exceed the taxable income attributable to  
17 that taxpayer's income, self-employment income, or  
18 Subchapter S corporation income; except that no  
19 deduction shall be allowed under this item (V) if the  
20 taxpayer is eligible to participate in any health  
21 insurance or long-term care insurance plan of an  
22 employer of the taxpayer or the taxpayer's spouse. The  
23 amount of the health insurance and long-term care  
24 insurance subtracted under this item (V) shall be  
25 determined by multiplying total health insurance and  
26 long-term care insurance premiums paid by the taxpayer

1 times a number that represents the fractional  
2 percentage of eligible medical expenses under Section  
3 213 of the Internal Revenue Code of 1986 not actually  
4 deducted on the taxpayer's federal income tax return;

5 (W) For taxable years beginning on or after  
6 January 1, 1998, all amounts included in the  
7 taxpayer's federal gross income in the taxable year  
8 from amounts converted from a regular IRA to a Roth  
9 IRA. This paragraph is exempt from the provisions of  
10 Section 250;

11 (X) For taxable year 1999 and thereafter, an  
12 amount equal to the amount of any (i) distributions,  
13 to the extent includible in gross income for federal  
14 income tax purposes, made to the taxpayer because of  
15 his or her status as a victim of persecution for racial  
16 or religious reasons by Nazi Germany or any other Axis  
17 regime or as an heir of the victim and (ii) items of  
18 income, to the extent includible in gross income for  
19 federal income tax purposes, attributable to, derived  
20 from or in any way related to assets stolen from,  
21 hidden from, or otherwise lost to a victim of  
22 persecution for racial or religious reasons by Nazi  
23 Germany or any other Axis regime immediately prior to,  
24 during, and immediately after World War II, including,  
25 but not limited to, interest on the proceeds  
26 receivable as insurance under policies issued to a

1 victim of persecution for racial or religious reasons  
2 by Nazi Germany or any other Axis regime by European  
3 insurance companies immediately prior to and during  
4 World War II; provided, however, this subtraction from  
5 federal adjusted gross income does not apply to assets  
6 acquired with such assets or with the proceeds from  
7 the sale of such assets; provided, further, this  
8 paragraph shall only apply to a taxpayer who was the  
9 first recipient of such assets after their recovery  
10 and who is a victim of persecution for racial or  
11 religious reasons by Nazi Germany or any other Axis  
12 regime or as an heir of the victim. The amount of and  
13 the eligibility for any public assistance, benefit, or  
14 similar entitlement is not affected by the inclusion  
15 of items (i) and (ii) of this paragraph in gross income  
16 for federal income tax purposes. This paragraph is  
17 exempt from the provisions of Section 250;

18 (Y) For taxable years beginning on or after  
19 January 1, 2002 and ending on or before December 31,  
20 2004, moneys contributed in the taxable year to a  
21 College Savings Pool account under Section 16.5 of the  
22 State Treasurer Act, except that amounts excluded from  
23 gross income under Section 529(c)(3)(C)(i) of the  
24 Internal Revenue Code shall not be considered moneys  
25 contributed under this subparagraph (Y). For taxable  
26 years beginning on or after January 1, 2005, a maximum



1 of \$10,000 contributed in the taxable year to (i) a  
2 College Savings Pool account under Section 16.5 of the  
3 State Treasurer Act or (ii) the Illinois Prepaid  
4 Tuition Trust Fund, except that amounts excluded from  
5 gross income under Section 529(c)(3)(C)(i) of the  
6 Internal Revenue Code shall not be considered moneys  
7 contributed under this subparagraph (Y). For purposes  
8 of this subparagraph, contributions made by an  
9 employer on behalf of an employee, or matching  
10 contributions made by an employee, shall be treated as  
11 made by the employee. This subparagraph (Y) is exempt  
12 from the provisions of Section 250;

13 (Z) For taxable years 2001 and thereafter, for the  
14 taxable year in which the bonus depreciation deduction  
15 is taken on the taxpayer's federal income tax return  
16 under subsection (k) of Section 168 of the Internal  
17 Revenue Code and for each applicable taxable year  
18 thereafter, an amount equal to "x", where:

19 (1) "y" equals the amount of the depreciation  
20 deduction taken for the taxable year on the  
21 taxpayer's federal income tax return on property  
22 for which the bonus depreciation deduction was  
23 taken in any year under subsection (k) of Section  
24 168 of the Internal Revenue Code, but not  
25 including the bonus depreciation deduction;

26 (2) for taxable years ending on or before

1 December 31, 2005, "x" equals "y" multiplied by 30  
2 and then divided by 70 (or "y" multiplied by  
3 0.429); and

4 (3) for taxable years ending after December  
5 31, 2005:

6 (i) for property on which a bonus  
7 depreciation deduction of 30% of the adjusted  
8 basis was taken, "x" equals "y" multiplied by  
9 30 and then divided by 70 (or "y" multiplied  
10 by 0.429);

11 (ii) for property on which a bonus  
12 depreciation deduction of 50% of the adjusted  
13 basis was taken, "x" equals "y" multiplied by  
14 1.0;

15 (iii) for property on which a bonus  
16 depreciation deduction of 100% of the adjusted  
17 basis was taken in a taxable year ending on or  
18 after December 31, 2021, "x" equals the  
19 depreciation deduction that would be allowed  
20 on that property if the taxpayer had made the  
21 election under Section 168(k)(7) of the  
22 Internal Revenue Code to not claim bonus  
23 depreciation on that property; and

24 (iv) for property on which a bonus  
25 depreciation deduction of a percentage other  
26 than 30%, 50% or 100% of the adjusted basis

1           was taken in a taxable year ending on or after  
2           December 31, 2021, "x" equals "y" multiplied  
3           by 100 times the percentage bonus depreciation  
4           on the property (that is,  $100(\text{bonus}\%)$ ) and  
5           then divided by 100 times 1 minus the  
6           percentage bonus depreciation on the property  
7           (that is,  $100(1-\text{bonus}\%)$ ).

8           The aggregate amount deducted under this  
9           subparagraph in all taxable years for any one piece of  
10          property may not exceed the amount of the bonus  
11          depreciation deduction taken on that property on the  
12          taxpayer's federal income tax return under subsection  
13          (k) of Section 168 of the Internal Revenue Code. This  
14          subparagraph (Z) is exempt from the provisions of  
15          Section 250;

16          (AA) If the taxpayer sells, transfers, abandons,  
17          or otherwise disposes of property for which the  
18          taxpayer was required in any taxable year to make an  
19          addition modification under subparagraph (D-15), then  
20          an amount equal to that addition modification.

21          If the taxpayer continues to own property through  
22          the last day of the last tax year for which a  
23          subtraction is allowed with respect to that property  
24          under subparagraph (Z) and for which the taxpayer was  
25          required in any taxable year to make an addition  
26          modification under subparagraph (D-15), then an amount

1 equal to that addition modification.

2 The taxpayer is allowed to take the deduction  
3 under this subparagraph only once with respect to any  
4 one piece of property.

5 This subparagraph (AA) is exempt from the  
6 provisions of Section 250;

7 (BB) Any amount included in adjusted gross income,  
8 other than salary, received by a driver in a  
9 ridesharing arrangement using a motor vehicle;

10 (CC) The amount of (i) any interest income (net of  
11 the deductions allocable thereto) taken into account  
12 for the taxable year with respect to a transaction  
13 with a taxpayer that is required to make an addition  
14 modification with respect to such transaction under  
15 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
16 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
17 the amount of that addition modification, and (ii) any  
18 income from intangible property (net of the deductions  
19 allocable thereto) taken into account for the taxable  
20 year with respect to a transaction with a taxpayer  
21 that is required to make an addition modification with  
22 respect to such transaction under Section  
23 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
24 203(d)(2)(D-8), but not to exceed the amount of that  
25 addition modification. This subparagraph (CC) is  
26 exempt from the provisions of Section 250;

1 (DD) An amount equal to the interest income taken  
2 into account for the taxable year (net of the  
3 deductions allocable thereto) with respect to  
4 transactions with (i) a foreign person who would be a  
5 member of the taxpayer's unitary business group but  
6 for the fact that the foreign person's business  
7 activity outside the United States is 80% or more of  
8 that person's total business activity and (ii) for  
9 taxable years ending on or after December 31, 2008, to  
10 a person who would be a member of the same unitary  
11 business group but for the fact that the person is  
12 prohibited under Section 1501(a)(27) from being  
13 included in the unitary business group because he or  
14 she is ordinarily required to apportion business  
15 income under different subsections of Section 304, but  
16 not to exceed the addition modification required to be  
17 made for the same taxable year under Section  
18 203(a)(2)(D-17) for interest paid, accrued, or  
19 incurred, directly or indirectly, to the same person.  
20 This subparagraph (DD) is exempt from the provisions  
21 of Section 250;

22 (EE) An amount equal to the income from intangible  
23 property taken into account for the taxable year (net  
24 of the deductions allocable thereto) with respect to  
25 transactions with (i) a foreign person who would be a  
26 member of the taxpayer's unitary business group but

1 for the fact that the foreign person's business  
2 activity outside the United States is 80% or more of  
3 that person's total business activity and (ii) for  
4 taxable years ending on or after December 31, 2008, to  
5 a person who would be a member of the same unitary  
6 business group but for the fact that the person is  
7 prohibited under Section 1501(a)(27) from being  
8 included in the unitary business group because he or  
9 she is ordinarily required to apportion business  
10 income under different subsections of Section 304, but  
11 not to exceed the addition modification required to be  
12 made for the same taxable year under Section  
13 203(a)(2)(D-18) for intangible expenses and costs  
14 paid, accrued, or incurred, directly or indirectly, to  
15 the same foreign person. This subparagraph (EE) is  
16 exempt from the provisions of Section 250;

17 (FF) An amount equal to any amount awarded to the  
18 taxpayer during the taxable year by the Court of  
19 Claims under subsection (c) of Section 8 of the Court  
20 of Claims Act for time unjustly served in a State  
21 prison. This subparagraph (FF) is exempt from the  
22 provisions of Section 250;

23 (GG) For taxable years ending on or after December  
24 31, 2011, in the case of a taxpayer who was required to  
25 add back any insurance premiums under Section  
26 203(a)(2)(D-19), such taxpayer may elect to subtract

1           that part of a reimbursement received from the  
2           insurance company equal to the amount of the expense  
3           or loss (including expenses incurred by the insurance  
4           company) that would have been taken into account as a  
5           deduction for federal income tax purposes if the  
6           expense or loss had been uninsured. If a taxpayer  
7           makes the election provided for by this subparagraph  
8           (GG), the insurer to which the premiums were paid must  
9           add back to income the amount subtracted by the  
10          taxpayer pursuant to this subparagraph (GG). This  
11          subparagraph (GG) is exempt from the provisions of  
12          Section 250;

13                 (HH) For taxable years beginning on or after  
14          January 1, 2018 and prior to January 1, 2028, a maximum  
15          of \$10,000 contributed in the taxable year to a  
16          qualified ABLE account under Section 16.6 of the State  
17          Treasurer Act, except that amounts excluded from gross  
18          income under Section 529(c)(3)(C)(i) or Section  
19          529A(c)(1)(C) of the Internal Revenue Code shall not  
20          be considered moneys contributed under this  
21          subparagraph (HH). For purposes of this subparagraph  
22          (HH), contributions made by an employer on behalf of  
23          an employee, or matching contributions made by an  
24          employee, shall be treated as made by the employee;

25                 (II) For taxable years that begin on or after  
26          January 1, 2021 and begin before January 1, 2026, the

1 amount that is included in the taxpayer's federal  
2 adjusted gross income pursuant to Section 61 of the  
3 Internal Revenue Code as discharge of indebtedness  
4 attributable to student loan forgiveness and that is  
5 not excluded from the taxpayer's federal adjusted  
6 gross income pursuant to paragraph (5) of subsection  
7 (f) of Section 108 of the Internal Revenue Code; ~~and~~

8 (JJ) For taxable years beginning on or after  
9 January 1, 2023, for any cannabis establishment  
10 operating in this State and licensed under the  
11 Cannabis Regulation and Tax Act or any cannabis  
12 cultivation center or medical cannabis dispensing  
13 organization operating in this State and licensed  
14 under the Compassionate Use of Medical Cannabis  
15 Program Act, an amount equal to the deductions that  
16 were disallowed under Section 280E of the Internal  
17 Revenue Code for the taxable year and that would not be  
18 added back under this subsection. The provisions of  
19 this subparagraph (JJ) are exempt from the provisions  
20 of Section 250; ~~and~~

21 (KK) ~~(JJ)~~ To the extent includible in gross income  
22 for federal income tax purposes, any amount awarded or  
23 paid to the taxpayer as a result of a judgment or  
24 settlement for fertility fraud as provided in Section  
25 15 of the Illinois Fertility Fraud Act, donor  
26 fertility fraud as provided in Section 20 of the



1 Illinois Fertility Fraud Act, or similar action in  
2 another state; and ~~or~~

3 (LL) For taxable years beginning on or after  
4 January 1, 2026, if the taxpayer is a qualified  
5 worker, as defined in the Workforce Development  
6 through Charitable Loan Repayment Act, an amount equal  
7 to the amount included in the taxpayer's federal  
8 adjusted gross income that is attributable to student  
9 loan repayment assistance received by the taxpayer  
10 during the taxable year from a qualified community  
11 foundation under the provisions of the Workforce  
12 Development Through Charitable Loan Repayment Act.

13 This subparagraph (LL) is exempt from the  
14 provisions of Section 250.

15 (b) Corporations.

16 (1) In general. In the case of a corporation, base  
17 income means an amount equal to the taxpayer's taxable  
18 income for the taxable year as modified by paragraph (2).

19 (2) Modifications. The taxable income referred to in  
20 paragraph (1) shall be modified by adding thereto the sum  
21 of the following amounts:

22 (A) An amount equal to all amounts paid or accrued  
23 to the taxpayer as interest and all distributions  
24 received from regulated investment companies during  
25 the taxable year to the extent excluded from gross

1 income in the computation of taxable income;

2 (B) An amount equal to the amount of tax imposed by  
3 this Act to the extent deducted from gross income in  
4 the computation of taxable income for the taxable  
5 year;

6 (C) In the case of a regulated investment company,  
7 an amount equal to the excess of (i) the net long-term  
8 capital gain for the taxable year, over (ii) the  
9 amount of the capital gain dividends designated as  
10 such in accordance with Section 852(b)(3)(C) of the  
11 Internal Revenue Code and any amount designated under  
12 Section 852(b)(3)(D) of the Internal Revenue Code,  
13 attributable to the taxable year (this amendatory Act  
14 of 1995 (Public Act 89-89) is declarative of existing  
15 law and is not a new enactment);

16 (D) The amount of any net operating loss deduction  
17 taken in arriving at taxable income, other than a net  
18 operating loss carried forward from a taxable year  
19 ending prior to December 31, 1986;

20 (E) For taxable years in which a net operating  
21 loss carryback or carryforward from a taxable year  
22 ending prior to December 31, 1986 is an element of  
23 taxable income under paragraph (1) of subsection (e)  
24 or subparagraph (E) of paragraph (2) of subsection  
25 (e), the amount by which addition modifications other  
26 than those provided by this subparagraph (E) exceeded

1 subtraction modifications in such earlier taxable  
2 year, with the following limitations applied in the  
3 order that they are listed:

4 (i) the addition modification relating to the  
5 net operating loss carried back or forward to the  
6 taxable year from any taxable year ending prior to  
7 December 31, 1986 shall be reduced by the amount  
8 of addition modification under this subparagraph  
9 (E) which related to that net operating loss and  
10 which was taken into account in calculating the  
11 base income of an earlier taxable year, and

12 (ii) the addition modification relating to the  
13 net operating loss carried back or forward to the  
14 taxable year from any taxable year ending prior to  
15 December 31, 1986 shall not exceed the amount of  
16 such carryback or carryforward;

17 For taxable years in which there is a net  
18 operating loss carryback or carryforward from more  
19 than one other taxable year ending prior to December  
20 31, 1986, the addition modification provided in this  
21 subparagraph (E) shall be the sum of the amounts  
22 computed independently under the preceding provisions  
23 of this subparagraph (E) for each such taxable year;

24 (E-5) For taxable years ending after December 31,  
25 1997, an amount equal to any eligible remediation  
26 costs that the corporation deducted in computing

1 adjusted gross income and for which the corporation  
2 claims a credit under subsection (l) of Section 201;

3 (E-10) For taxable years 2001 and thereafter, an  
4 amount equal to the bonus depreciation deduction taken  
5 on the taxpayer's federal income tax return for the  
6 taxable year under subsection (k) of Section 168 of  
7 the Internal Revenue Code;

8 (E-11) If the taxpayer sells, transfers, abandons,  
9 or otherwise disposes of property for which the  
10 taxpayer was required in any taxable year to make an  
11 addition modification under subparagraph (E-10), then  
12 an amount equal to the aggregate amount of the  
13 deductions taken in all taxable years under  
14 subparagraph (T) with respect to that property.

15 If the taxpayer continues to own property through  
16 the last day of the last tax year for which a  
17 subtraction is allowed with respect to that property  
18 under subparagraph (T) and for which the taxpayer was  
19 allowed in any taxable year to make a subtraction  
20 modification under subparagraph (T), then an amount  
21 equal to that subtraction modification.

22 The taxpayer is required to make the addition  
23 modification under this subparagraph only once with  
24 respect to any one piece of property;

25 (E-12) An amount equal to the amount otherwise  
26 allowed as a deduction in computing base income for

1 interest paid, accrued, or incurred, directly or  
2 indirectly, (i) for taxable years ending on or after  
3 December 31, 2004, to a foreign person who would be a  
4 member of the same unitary business group but for the  
5 fact the foreign person's business activity outside  
6 the United States is 80% or more of the foreign  
7 person's total business activity and (ii) for taxable  
8 years ending on or after December 31, 2008, to a person  
9 who would be a member of the same unitary business  
10 group but for the fact that the person is prohibited  
11 under Section 1501(a)(27) from being included in the  
12 unitary business group because he or she is ordinarily  
13 required to apportion business income under different  
14 subsections of Section 304. The addition modification  
15 required by this subparagraph shall be reduced to the  
16 extent that dividends were included in base income of  
17 the unitary group for the same taxable year and  
18 received by the taxpayer or by a member of the  
19 taxpayer's unitary business group (including amounts  
20 included in gross income pursuant to Sections 951  
21 through 964 of the Internal Revenue Code and amounts  
22 included in gross income under Section 78 of the  
23 Internal Revenue Code) with respect to the stock of  
24 the same person to whom the interest was paid,  
25 accrued, or incurred.

26 This paragraph shall not apply to the following:

1 (i) an item of interest paid, accrued, or  
2 incurred, directly or indirectly, to a person who  
3 is subject in a foreign country or state, other  
4 than a state which requires mandatory unitary  
5 reporting, to a tax on or measured by net income  
6 with respect to such interest; or

7 (ii) an item of interest paid, accrued, or  
8 incurred, directly or indirectly, to a person if  
9 the taxpayer can establish, based on a  
10 preponderance of the evidence, both of the  
11 following:

12 (a) the person, during the same taxable  
13 year, paid, accrued, or incurred, the interest  
14 to a person that is not a related member, and

15 (b) the transaction giving rise to the  
16 interest expense between the taxpayer and the  
17 person did not have as a principal purpose the  
18 avoidance of Illinois income tax, and is paid  
19 pursuant to a contract or agreement that  
20 reflects an arm's-length interest rate and  
21 terms; or

22 (iii) the taxpayer can establish, based on  
23 clear and convincing evidence, that the interest  
24 paid, accrued, or incurred relates to a contract  
25 or agreement entered into at arm's-length rates  
26 and terms and the principal purpose for the

1 payment is not federal or Illinois tax avoidance;  
2 or

3 (iv) an item of interest paid, accrued, or  
4 incurred, directly or indirectly, to a person if  
5 the taxpayer establishes by clear and convincing  
6 evidence that the adjustments are unreasonable; or  
7 if the taxpayer and the Director agree in writing  
8 to the application or use of an alternative method  
9 of apportionment under Section 304(f).

10 Nothing in this subsection shall preclude the  
11 Director from making any other adjustment  
12 otherwise allowed under Section 404 of this Act  
13 for any tax year beginning after the effective  
14 date of this amendment provided such adjustment is  
15 made pursuant to regulation adopted by the  
16 Department and such regulations provide methods  
17 and standards by which the Department will utilize  
18 its authority under Section 404 of this Act;

19 (E-13) An amount equal to the amount of intangible  
20 expenses and costs otherwise allowed as a deduction in  
21 computing base income, and that were paid, accrued, or  
22 incurred, directly or indirectly, (i) for taxable  
23 years ending on or after December 31, 2004, to a  
24 foreign person who would be a member of the same  
25 unitary business group but for the fact that the  
26 foreign person's business activity outside the United

1 States is 80% or more of that person's total business  
2 activity and (ii) for taxable years ending on or after  
3 December 31, 2008, to a person who would be a member of  
4 the same unitary business group but for the fact that  
5 the person is prohibited under Section 1501(a)(27)  
6 from being included in the unitary business group  
7 because he or she is ordinarily required to apportion  
8 business income under different subsections of Section  
9 304. The addition modification required by this  
10 subparagraph shall be reduced to the extent that  
11 dividends were included in base income of the unitary  
12 group for the same taxable year and received by the  
13 taxpayer or by a member of the taxpayer's unitary  
14 business group (including amounts included in gross  
15 income pursuant to Sections 951 through 964 of the  
16 Internal Revenue Code and amounts included in gross  
17 income under Section 78 of the Internal Revenue Code)  
18 with respect to the stock of the same person to whom  
19 the intangible expenses and costs were directly or  
20 indirectly paid, incurred, or accrued. The preceding  
21 sentence shall not apply to the extent that the same  
22 dividends caused a reduction to the addition  
23 modification required under Section 203(b)(2)(E-12) of  
24 this Act. As used in this subparagraph, the term  
25 "intangible expenses and costs" includes (1) expenses,  
26 losses, and costs for, or related to, the direct or



1 indirect acquisition, use, maintenance or management,  
2 ownership, sale, exchange, or any other disposition of  
3 intangible property; (2) losses incurred, directly or  
4 indirectly, from factoring transactions or discounting  
5 transactions; (3) royalty, patent, technical, and  
6 copyright fees; (4) licensing fees; and (5) other  
7 similar expenses and costs. For purposes of this  
8 subparagraph, "intangible property" includes patents,  
9 patent applications, trade names, trademarks, service  
10 marks, copyrights, mask works, trade secrets, and  
11 similar types of intangible assets.

12 This paragraph shall not apply to the following:

13 (i) any item of intangible expenses or costs  
14 paid, accrued, or incurred, directly or  
15 indirectly, from a transaction with a person who  
16 is subject in a foreign country or state, other  
17 than a state which requires mandatory unitary  
18 reporting, to a tax on or measured by net income  
19 with respect to such item; or

20 (ii) any item of intangible expense or cost  
21 paid, accrued, or incurred, directly or  
22 indirectly, if the taxpayer can establish, based  
23 on a preponderance of the evidence, both of the  
24 following:

25 (a) the person during the same taxable  
26 year paid, accrued, or incurred, the

1 intangible expense or cost to a person that is  
2 not a related member, and

3 (b) the transaction giving rise to the  
4 intangible expense or cost between the  
5 taxpayer and the person did not have as a  
6 principal purpose the avoidance of Illinois  
7 income tax, and is paid pursuant to a contract  
8 or agreement that reflects arm's-length terms;  
9 or

10 (iii) any item of intangible expense or cost  
11 paid, accrued, or incurred, directly or  
12 indirectly, from a transaction with a person if  
13 the taxpayer establishes by clear and convincing  
14 evidence, that the adjustments are unreasonable;  
15 or if the taxpayer and the Director agree in  
16 writing to the application or use of an  
17 alternative method of apportionment under Section  
18 304(f);

19 Nothing in this subsection shall preclude the  
20 Director from making any other adjustment  
21 otherwise allowed under Section 404 of this Act  
22 for any tax year beginning after the effective  
23 date of this amendment provided such adjustment is  
24 made pursuant to regulation adopted by the  
25 Department and such regulations provide methods  
26 and standards by which the Department will utilize

1           its authority under Section 404 of this Act;

2           (E-14) For taxable years ending on or after  
3           December 31, 2008, an amount equal to the amount of  
4           insurance premium expenses and costs otherwise allowed  
5           as a deduction in computing base income, and that were  
6           paid, accrued, or incurred, directly or indirectly, to  
7           a person who would be a member of the same unitary  
8           business group but for the fact that the person is  
9           prohibited under Section 1501(a)(27) from being  
10          included in the unitary business group because he or  
11          she is ordinarily required to apportion business  
12          income under different subsections of Section 304. The  
13          addition modification required by this subparagraph  
14          shall be reduced to the extent that dividends were  
15          included in base income of the unitary group for the  
16          same taxable year and received by the taxpayer or by a  
17          member of the taxpayer's unitary business group  
18          (including amounts included in gross income under  
19          Sections 951 through 964 of the Internal Revenue Code  
20          and amounts included in gross income under Section 78  
21          of the Internal Revenue Code) with respect to the  
22          stock of the same person to whom the premiums and costs  
23          were directly or indirectly paid, incurred, or  
24          accrued. The preceding sentence does not apply to the  
25          extent that the same dividends caused a reduction to  
26          the addition modification required under Section

1           203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this  
2           Act;

3           (E-15) For taxable years beginning after December  
4           31, 2008, any deduction for dividends paid by a  
5           captive real estate investment trust that is allowed  
6           to a real estate investment trust under Section  
7           857(b)(2)(B) of the Internal Revenue Code for  
8           dividends paid;

9           (E-16) An amount equal to the credit allowable to  
10          the taxpayer under Section 218(a) of this Act,  
11          determined without regard to Section 218(c) of this  
12          Act;

13          (E-17) For taxable years ending on or after  
14          December 31, 2017, an amount equal to the deduction  
15          allowed under Section 199 of the Internal Revenue Code  
16          for the taxable year;

17          (E-18) for taxable years beginning after December  
18          31, 2018, an amount equal to the deduction allowed  
19          under Section 250(a)(1)(A) of the Internal Revenue  
20          Code for the taxable year;

21          (E-19) for taxable years ending on or after June  
22          30, 2021, an amount equal to the deduction allowed  
23          under Section 250(a)(1)(B)(i) of the Internal Revenue  
24          Code for the taxable year;

25          (E-20) for taxable years ending on or after June  
26          30, 2021, an amount equal to the deduction allowed

1 under Sections 243(e) and 245A(a) of the Internal  
2 Revenue Code for the taxable year.

3 and by deducting from the total so obtained the sum of the  
4 following amounts:

5 (F) An amount equal to the amount of any tax  
6 imposed by this Act which was refunded to the taxpayer  
7 and included in such total for the taxable year;

8 (G) An amount equal to any amount included in such  
9 total under Section 78 of the Internal Revenue Code;

10 (H) In the case of a regulated investment company,  
11 an amount equal to the amount of exempt interest  
12 dividends as defined in subsection (b)(5) of Section  
13 852 of the Internal Revenue Code, paid to shareholders  
14 for the taxable year;

15 (I) With the exception of any amounts subtracted  
16 under subparagraph (J), an amount equal to the sum of  
17 all amounts disallowed as deductions by (i) Sections  
18 171(a)(2) and 265(a)(2) and amounts disallowed as  
19 interest expense by Section 291(a)(3) of the Internal  
20 Revenue Code, and all amounts of expenses allocable to  
21 interest and disallowed as deductions by Section  
22 265(a)(1) of the Internal Revenue Code; and (ii) for  
23 taxable years ending on or after August 13, 1999,  
24 Sections 171(a)(2), 265, 280C, 291(a)(3), and  
25 832(b)(5)(B)(i) of the Internal Revenue Code, plus,  
26 for tax years ending on or after December 31, 2011,

1 amounts disallowed as deductions by Section 45G(e) (3)  
2 of the Internal Revenue Code and, for taxable years  
3 ending on or after December 31, 2008, any amount  
4 included in gross income under Section 87 of the  
5 Internal Revenue Code and the policyholders' share of  
6 tax-exempt interest of a life insurance company under  
7 Section 807(a) (2) (B) of the Internal Revenue Code (in  
8 the case of a life insurance company with gross income  
9 from a decrease in reserves for the tax year) or  
10 Section 807(b) (1) (B) of the Internal Revenue Code (in  
11 the case of a life insurance company allowed a  
12 deduction for an increase in reserves for the tax  
13 year); the provisions of this subparagraph are exempt  
14 from the provisions of Section 250;

15 (J) An amount equal to all amounts included in  
16 such total which are exempt from taxation by this  
17 State either by reason of its statutes or Constitution  
18 or by reason of the Constitution, treaties or statutes  
19 of the United States; provided that, in the case of any  
20 statute of this State that exempts income derived from  
21 bonds or other obligations from the tax imposed under  
22 this Act, the amount exempted shall be the interest  
23 net of bond premium amortization;

24 (K) An amount equal to those dividends included in  
25 such total which were paid by a corporation which  
26 conducts business operations in a River Edge

1           Redevelopment Zone or zones created under the River  
2           Edge Redevelopment Zone Act and conducts substantially  
3           all of its operations in a River Edge Redevelopment  
4           Zone or zones. This subparagraph (K) is exempt from  
5           the provisions of Section 250;

6           (L) An amount equal to those dividends included in  
7           such total that were paid by a corporation that  
8           conducts business operations in a federally designated  
9           Foreign Trade Zone or Sub-Zone and that is designated  
10          a High Impact Business located in Illinois; provided  
11          that dividends eligible for the deduction provided in  
12          subparagraph (K) of paragraph 2 of this subsection  
13          shall not be eligible for the deduction provided under  
14          this subparagraph (L);

15          (M) For any taxpayer that is a financial  
16          organization within the meaning of Section 304(c) of  
17          this Act, an amount included in such total as interest  
18          income from a loan or loans made by such taxpayer to a  
19          borrower, to the extent that such a loan is secured by  
20          property which is eligible for the River Edge  
21          Redevelopment Zone Investment Credit. To determine the  
22          portion of a loan or loans that is secured by property  
23          eligible for a Section 201(f) investment credit to the  
24          borrower, the entire principal amount of the loan or  
25          loans between the taxpayer and the borrower should be  
26          divided into the basis of the Section 201(f)

1 investment credit property which secures the loan or  
2 loans, using for this purpose the original basis of  
3 such property on the date that it was placed in service  
4 in the River Edge Redevelopment Zone. The subtraction  
5 modification available to the taxpayer in any year  
6 under this subsection shall be that portion of the  
7 total interest paid by the borrower with respect to  
8 such loan attributable to the eligible property as  
9 calculated under the previous sentence. This  
10 subparagraph (M) is exempt from the provisions of  
11 Section 250;

12 (M-1) For any taxpayer that is a financial  
13 organization within the meaning of Section 304(c) of  
14 this Act, an amount included in such total as interest  
15 income from a loan or loans made by such taxpayer to a  
16 borrower, to the extent that such a loan is secured by  
17 property which is eligible for the High Impact  
18 Business Investment Credit. To determine the portion  
19 of a loan or loans that is secured by property eligible  
20 for a Section 201(h) investment credit to the  
21 borrower, the entire principal amount of the loan or  
22 loans between the taxpayer and the borrower should be  
23 divided into the basis of the Section 201(h)  
24 investment credit property which secures the loan or  
25 loans, using for this purpose the original basis of  
26 such property on the date that it was placed in service



1 in a federally designated Foreign Trade Zone or  
2 Sub-Zone located in Illinois. No taxpayer that is  
3 eligible for the deduction provided in subparagraph  
4 (M) of paragraph (2) of this subsection shall be  
5 eligible for the deduction provided under this  
6 subparagraph (M-1). The subtraction modification  
7 available to taxpayers in any year under this  
8 subsection shall be that portion of the total interest  
9 paid by the borrower with respect to such loan  
10 attributable to the eligible property as calculated  
11 under the previous sentence;

12 (N) Two times any contribution made during the  
13 taxable year to a designated zone organization to the  
14 extent that the contribution (i) qualifies as a  
15 charitable contribution under subsection (c) of  
16 Section 170 of the Internal Revenue Code and (ii)  
17 must, by its terms, be used for a project approved by  
18 the Department of Commerce and Economic Opportunity  
19 under Section 11 of the Illinois Enterprise Zone Act  
20 or under Section 10-10 of the River Edge Redevelopment  
21 Zone Act. This subparagraph (N) is exempt from the  
22 provisions of Section 250;

23 (O) An amount equal to: (i) 85% for taxable years  
24 ending on or before December 31, 1992, or, a  
25 percentage equal to the percentage allowable under  
26 Section 243(a) (1) of the Internal Revenue Code of 1986

1 for taxable years ending after December 31, 1992, of  
2 the amount by which dividends included in taxable  
3 income and received from a corporation that is not  
4 created or organized under the laws of the United  
5 States or any state or political subdivision thereof,  
6 including, for taxable years ending on or after  
7 December 31, 1988, dividends received or deemed  
8 received or paid or deemed paid under Sections 951  
9 through 965 of the Internal Revenue Code, exceed the  
10 amount of the modification provided under subparagraph  
11 (G) of paragraph (2) of this subsection (b) which is  
12 related to such dividends, and including, for taxable  
13 years ending on or after December 31, 2008, dividends  
14 received from a captive real estate investment trust;  
15 plus (ii) 100% of the amount by which dividends,  
16 included in taxable income and received, including,  
17 for taxable years ending on or after December 31,  
18 1988, dividends received or deemed received or paid or  
19 deemed paid under Sections 951 through 964 of the  
20 Internal Revenue Code and including, for taxable years  
21 ending on or after December 31, 2008, dividends  
22 received from a captive real estate investment trust,  
23 from any such corporation specified in clause (i) that  
24 would but for the provisions of Section 1504(b)(3) of  
25 the Internal Revenue Code be treated as a member of the  
26 affiliated group which includes the dividend

1 recipient, exceed the amount of the modification  
2 provided under subparagraph (G) of paragraph (2) of  
3 this subsection (b) which is related to such  
4 dividends. For taxable years ending on or after June  
5 30, 2021, (i) for purposes of this subparagraph, the  
6 term "dividend" does not include any amount treated as  
7 a dividend under Section 1248 of the Internal Revenue  
8 Code, and (ii) this subparagraph shall not apply to  
9 dividends for which a deduction is allowed under  
10 Section 245(a) of the Internal Revenue Code. This  
11 subparagraph (O) is exempt from the provisions of  
12 Section 250 of this Act;

13 (P) An amount equal to any contribution made to a  
14 job training project established pursuant to the Tax  
15 Increment Allocation Redevelopment Act;

16 (Q) An amount equal to the amount of the deduction  
17 used to compute the federal income tax credit for  
18 restoration of substantial amounts held under claim of  
19 right for the taxable year pursuant to Section 1341 of  
20 the Internal Revenue Code;

21 (R) On and after July 20, 1999, in the case of an  
22 attorney-in-fact with respect to whom an interinsurer  
23 or a reciprocal insurer has made the election under  
24 Section 835 of the Internal Revenue Code, 26 U.S.C.  
25 835, an amount equal to the excess, if any, of the  
26 amounts paid or incurred by that interinsurer or

1 reciprocal insurer in the taxable year to the  
2 attorney-in-fact over the deduction allowed to that  
3 interinsurer or reciprocal insurer with respect to the  
4 attorney-in-fact under Section 835(b) of the Internal  
5 Revenue Code for the taxable year; the provisions of  
6 this subparagraph are exempt from the provisions of  
7 Section 250;

8 (S) For taxable years ending on or after December  
9 31, 1997, in the case of a Subchapter S corporation, an  
10 amount equal to all amounts of income allocable to a  
11 shareholder subject to the Personal Property Tax  
12 Replacement Income Tax imposed by subsections (c) and  
13 (d) of Section 201 of this Act, including amounts  
14 allocable to organizations exempt from federal income  
15 tax by reason of Section 501(a) of the Internal  
16 Revenue Code. This subparagraph (S) is exempt from the  
17 provisions of Section 250;

18 (T) For taxable years 2001 and thereafter, for the  
19 taxable year in which the bonus depreciation deduction  
20 is taken on the taxpayer's federal income tax return  
21 under subsection (k) of Section 168 of the Internal  
22 Revenue Code and for each applicable taxable year  
23 thereafter, an amount equal to "x", where:

24 (1) "y" equals the amount of the depreciation  
25 deduction taken for the taxable year on the  
26 taxpayer's federal income tax return on property

1           for which the bonus depreciation deduction was  
2           taken in any year under subsection (k) of Section  
3           168 of the Internal Revenue Code, but not  
4           including the bonus depreciation deduction;

5           (2) for taxable years ending on or before  
6           December 31, 2005, "x" equals "y" multiplied by 30  
7           and then divided by 70 (or "y" multiplied by  
8           0.429); and

9           (3) for taxable years ending after December  
10          31, 2005:

11           (i) for property on which a bonus  
12           depreciation deduction of 30% of the adjusted  
13           basis was taken, "x" equals "y" multiplied by  
14           30 and then divided by 70 (or "y" multiplied  
15           by 0.429);

16           (ii) for property on which a bonus  
17           depreciation deduction of 50% of the adjusted  
18           basis was taken, "x" equals "y" multiplied by  
19           1.0;

20           (iii) for property on which a bonus  
21           depreciation deduction of 100% of the adjusted  
22           basis was taken in a taxable year ending on or  
23           after December 31, 2021, "x" equals the  
24           depreciation deduction that would be allowed  
25           on that property if the taxpayer had made the  
26           election under Section 168(k)(7) of the

1 Internal Revenue Code to not claim bonus  
2 depreciation on that property; and

3 (iv) for property on which a bonus  
4 depreciation deduction of a percentage other  
5 than 30%, 50% or 100% of the adjusted basis  
6 was taken in a taxable year ending on or after  
7 December 31, 2021, "x" equals "y" multiplied  
8 by 100 times the percentage bonus depreciation  
9 on the property (that is,  $100(\text{bonus}\%)$ ) and  
10 then divided by 100 times 1 minus the  
11 percentage bonus depreciation on the property  
12 (that is,  $100(1-\text{bonus}\%)$ ).

13 The aggregate amount deducted under this  
14 subparagraph in all taxable years for any one piece of  
15 property may not exceed the amount of the bonus  
16 depreciation deduction taken on that property on the  
17 taxpayer's federal income tax return under subsection  
18 (k) of Section 168 of the Internal Revenue Code. This  
19 subparagraph (T) is exempt from the provisions of  
20 Section 250;

21 (U) If the taxpayer sells, transfers, abandons, or  
22 otherwise disposes of property for which the taxpayer  
23 was required in any taxable year to make an addition  
24 modification under subparagraph (E-10), then an amount  
25 equal to that addition modification.

26 If the taxpayer continues to own property through

1           the last day of the last tax year for which a  
2           subtraction is allowed with respect to that property  
3           under subparagraph (T) and for which the taxpayer was  
4           required in any taxable year to make an addition  
5           modification under subparagraph (E-10), then an amount  
6           equal to that addition modification.

7           The taxpayer is allowed to take the deduction  
8           under this subparagraph only once with respect to any  
9           one piece of property.

10          This subparagraph (U) is exempt from the  
11          provisions of Section 250;

12          (V) The amount of: (i) any interest income (net of  
13          the deductions allocable thereto) taken into account  
14          for the taxable year with respect to a transaction  
15          with a taxpayer that is required to make an addition  
16          modification with respect to such transaction under  
17          Section        203(a)(2)(D-17),        203(b)(2)(E-12),  
18          203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
19          the amount of such addition modification, (ii) any  
20          income from intangible property (net of the deductions  
21          allocable thereto) taken into account for the taxable  
22          year with respect to a transaction with a taxpayer  
23          that is required to make an addition modification with  
24          respect to such transaction under Section  
25          203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
26          203(d)(2)(D-8), but not to exceed the amount of such

1 addition modification, and (iii) any insurance premium  
2 income (net of deductions allocable thereto) taken  
3 into account for the taxable year with respect to a  
4 transaction with a taxpayer that is required to make  
5 an addition modification with respect to such  
6 transaction under Section 203(a)(2)(D-19), Section  
7 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section  
8 203(d)(2)(D-9), but not to exceed the amount of that  
9 addition modification. This subparagraph (V) is exempt  
10 from the provisions of Section 250;

11 (W) An amount equal to the interest income taken  
12 into account for the taxable year (net of the  
13 deductions allocable thereto) with respect to  
14 transactions with (i) a foreign person who would be a  
15 member of the taxpayer's unitary business group but  
16 for the fact that the foreign person's business  
17 activity outside the United States is 80% or more of  
18 that person's total business activity and (ii) for  
19 taxable years ending on or after December 31, 2008, to  
20 a person who would be a member of the same unitary  
21 business group but for the fact that the person is  
22 prohibited under Section 1501(a)(27) from being  
23 included in the unitary business group because he or  
24 she is ordinarily required to apportion business  
25 income under different subsections of Section 304, but  
26 not to exceed the addition modification required to be



1           made for the same taxable year under Section  
2           203(b)(2)(E-12) for interest paid, accrued, or  
3           incurred, directly or indirectly, to the same person.  
4           This subparagraph (W) is exempt from the provisions of  
5           Section 250;

6           (X) An amount equal to the income from intangible  
7           property taken into account for the taxable year (net  
8           of the deductions allocable thereto) with respect to  
9           transactions with (i) a foreign person who would be a  
10          member of the taxpayer's unitary business group but  
11          for the fact that the foreign person's business  
12          activity outside the United States is 80% or more of  
13          that person's total business activity and (ii) for  
14          taxable years ending on or after December 31, 2008, to  
15          a person who would be a member of the same unitary  
16          business group but for the fact that the person is  
17          prohibited under Section 1501(a)(27) from being  
18          included in the unitary business group because he or  
19          she is ordinarily required to apportion business  
20          income under different subsections of Section 304, but  
21          not to exceed the addition modification required to be  
22          made for the same taxable year under Section  
23          203(b)(2)(E-13) for intangible expenses and costs  
24          paid, accrued, or incurred, directly or indirectly, to  
25          the same foreign person. This subparagraph (X) is  
26          exempt from the provisions of Section 250;

1           (Y) For taxable years ending on or after December  
2           31, 2011, in the case of a taxpayer who was required to  
3           add back any insurance premiums under Section  
4           203(b)(2)(E-14), such taxpayer may elect to subtract  
5           that part of a reimbursement received from the  
6           insurance company equal to the amount of the expense  
7           or loss (including expenses incurred by the insurance  
8           company) that would have been taken into account as a  
9           deduction for federal income tax purposes if the  
10          expense or loss had been uninsured. If a taxpayer  
11          makes the election provided for by this subparagraph  
12          (Y), the insurer to which the premiums were paid must  
13          add back to income the amount subtracted by the  
14          taxpayer pursuant to this subparagraph (Y). This  
15          subparagraph (Y) is exempt from the provisions of  
16          Section 250;

17          (Z) The difference between the nondeductible  
18          controlled foreign corporation dividends under Section  
19          965(e)(3) of the Internal Revenue Code over the  
20          taxable income of the taxpayer, computed without  
21          regard to Section 965(e)(2)(A) of the Internal Revenue  
22          Code, and without regard to any net operating loss  
23          deduction. This subparagraph (Z) is exempt from the  
24          provisions of Section 250; and

25          (AA) For taxable years beginning on or after  
26          January 1, 2023, for any cannabis establishment

1 operating in this State and licensed under the  
2 Cannabis Regulation and Tax Act or any cannabis  
3 cultivation center or medical cannabis dispensing  
4 organization operating in this State and licensed  
5 under the Compassionate Use of Medical Cannabis  
6 Program Act, an amount equal to the deductions that  
7 were disallowed under Section 280E of the Internal  
8 Revenue Code for the taxable year and that would not be  
9 added back under this subsection. The provisions of  
10 this subparagraph (AA) are exempt from the provisions  
11 of Section 250.

12 (3) Special rule. For purposes of paragraph (2)(A),  
13 "gross income" in the case of a life insurance company,  
14 for tax years ending on and after December 31, 1994, and  
15 prior to December 31, 2011, shall mean the gross  
16 investment income for the taxable year and, for tax years  
17 ending on or after December 31, 2011, shall mean all  
18 amounts included in life insurance gross income under  
19 Section 803(a)(3) of the Internal Revenue Code.

20 (c) Trusts and estates.

21 (1) In general. In the case of a trust or estate, base  
22 income means an amount equal to the taxpayer's taxable  
23 income for the taxable year as modified by paragraph (2).

24 (2) Modifications. Subject to the provisions of  
25 paragraph (3), the taxable income referred to in paragraph

1 (1) shall be modified by adding thereto the sum of the  
2 following amounts:

3 (A) An amount equal to all amounts paid or accrued  
4 to the taxpayer as interest or dividends during the  
5 taxable year to the extent excluded from gross income  
6 in the computation of taxable income;

7 (B) In the case of (i) an estate, \$600; (ii) a  
8 trust which, under its governing instrument, is  
9 required to distribute all of its income currently,  
10 \$300; and (iii) any other trust, \$100, but in each such  
11 case, only to the extent such amount was deducted in  
12 the computation of taxable income;

13 (C) An amount equal to the amount of tax imposed by  
14 this Act to the extent deducted from gross income in  
15 the computation of taxable income for the taxable  
16 year;

17 (D) The amount of any net operating loss deduction  
18 taken in arriving at taxable income, other than a net  
19 operating loss carried forward from a taxable year  
20 ending prior to December 31, 1986;

21 (E) For taxable years in which a net operating  
22 loss carryback or carryforward from a taxable year  
23 ending prior to December 31, 1986 is an element of  
24 taxable income under paragraph (1) of subsection (e)  
25 or subparagraph (E) of paragraph (2) of subsection  
26 (e), the amount by which addition modifications other

1           than those provided by this subparagraph (E) exceeded  
2           subtraction modifications in such taxable year, with  
3           the following limitations applied in the order that  
4           they are listed:

5                   (i) the addition modification relating to the  
6                   net operating loss carried back or forward to the  
7                   taxable year from any taxable year ending prior to  
8                   December 31, 1986 shall be reduced by the amount  
9                   of addition modification under this subparagraph  
10                  (E) which related to that net operating loss and  
11                  which was taken into account in calculating the  
12                  base income of an earlier taxable year, and

13                  (ii) the addition modification relating to the  
14                  net operating loss carried back or forward to the  
15                  taxable year from any taxable year ending prior to  
16                  December 31, 1986 shall not exceed the amount of  
17                  such carryback or carryforward;

18           For taxable years in which there is a net  
19           operating loss carryback or carryforward from more  
20           than one other taxable year ending prior to December  
21           31, 1986, the addition modification provided in this  
22           subparagraph (E) shall be the sum of the amounts  
23           computed independently under the preceding provisions  
24           of this subparagraph (E) for each such taxable year;

25           (F) For taxable years ending on or after January  
26           1, 1989, an amount equal to the tax deducted pursuant

1 to Section 164 of the Internal Revenue Code if the  
2 trust or estate is claiming the same tax for purposes  
3 of the Illinois foreign tax credit under Section 601  
4 of this Act;

5 (G) An amount equal to the amount of the capital  
6 gain deduction allowable under the Internal Revenue  
7 Code, to the extent deducted from gross income in the  
8 computation of taxable income;

9 (G-5) For taxable years ending after December 31,  
10 1997, an amount equal to any eligible remediation  
11 costs that the trust or estate deducted in computing  
12 adjusted gross income and for which the trust or  
13 estate claims a credit under subsection (l) of Section  
14 201;

15 (G-10) For taxable years 2001 and thereafter, an  
16 amount equal to the bonus depreciation deduction taken  
17 on the taxpayer's federal income tax return for the  
18 taxable year under subsection (k) of Section 168 of  
19 the Internal Revenue Code; and

20 (G-11) If the taxpayer sells, transfers, abandons,  
21 or otherwise disposes of property for which the  
22 taxpayer was required in any taxable year to make an  
23 addition modification under subparagraph (G-10), then  
24 an amount equal to the aggregate amount of the  
25 deductions taken in all taxable years under  
26 subparagraph (R) with respect to that property.

1           If the taxpayer continues to own property through  
2           the last day of the last tax year for which a  
3           subtraction is allowed with respect to that property  
4           under subparagraph (R) and for which the taxpayer was  
5           allowed in any taxable year to make a subtraction  
6           modification under subparagraph (R), then an amount  
7           equal to that subtraction modification.

8           The taxpayer is required to make the addition  
9           modification under this subparagraph only once with  
10          respect to any one piece of property;

11          (G-12) An amount equal to the amount otherwise  
12          allowed as a deduction in computing base income for  
13          interest paid, accrued, or incurred, directly or  
14          indirectly, (i) for taxable years ending on or after  
15          December 31, 2004, to a foreign person who would be a  
16          member of the same unitary business group but for the  
17          fact that the foreign person's business activity  
18          outside the United States is 80% or more of the foreign  
19          person's total business activity and (ii) for taxable  
20          years ending on or after December 31, 2008, to a person  
21          who would be a member of the same unitary business  
22          group but for the fact that the person is prohibited  
23          under Section 1501(a)(27) from being included in the  
24          unitary business group because he or she is ordinarily  
25          required to apportion business income under different  
26          subsections of Section 304. The addition modification

1 required by this subparagraph shall be reduced to the  
2 extent that dividends were included in base income of  
3 the unitary group for the same taxable year and  
4 received by the taxpayer or by a member of the  
5 taxpayer's unitary business group (including amounts  
6 included in gross income pursuant to Sections 951  
7 through 964 of the Internal Revenue Code and amounts  
8 included in gross income under Section 78 of the  
9 Internal Revenue Code) with respect to the stock of  
10 the same person to whom the interest was paid,  
11 accrued, or incurred.

12 This paragraph shall not apply to the following:

13 (i) an item of interest paid, accrued, or  
14 incurred, directly or indirectly, to a person who  
15 is subject in a foreign country or state, other  
16 than a state which requires mandatory unitary  
17 reporting, to a tax on or measured by net income  
18 with respect to such interest; or

19 (ii) an item of interest paid, accrued, or  
20 incurred, directly or indirectly, to a person if  
21 the taxpayer can establish, based on a  
22 preponderance of the evidence, both of the  
23 following:

24 (a) the person, during the same taxable  
25 year, paid, accrued, or incurred, the interest  
26 to a person that is not a related member, and



1 (b) the transaction giving rise to the  
2 interest expense between the taxpayer and the  
3 person did not have as a principal purpose the  
4 avoidance of Illinois income tax, and is paid  
5 pursuant to a contract or agreement that  
6 reflects an arm's-length interest rate and  
7 terms; or

8 (iii) the taxpayer can establish, based on  
9 clear and convincing evidence, that the interest  
10 paid, accrued, or incurred relates to a contract  
11 or agreement entered into at arm's-length rates  
12 and terms and the principal purpose for the  
13 payment is not federal or Illinois tax avoidance;  
14 or

15 (iv) an item of interest paid, accrued, or  
16 incurred, directly or indirectly, to a person if  
17 the taxpayer establishes by clear and convincing  
18 evidence that the adjustments are unreasonable; or  
19 if the taxpayer and the Director agree in writing  
20 to the application or use of an alternative method  
21 of apportionment under Section 304(f).

22 Nothing in this subsection shall preclude the  
23 Director from making any other adjustment  
24 otherwise allowed under Section 404 of this Act  
25 for any tax year beginning after the effective  
26 date of this amendment provided such adjustment is

1           made pursuant to regulation adopted by the  
2           Department and such regulations provide methods  
3           and standards by which the Department will utilize  
4           its authority under Section 404 of this Act;

5           (G-13) An amount equal to the amount of intangible  
6           expenses and costs otherwise allowed as a deduction in  
7           computing base income, and that were paid, accrued, or  
8           incurred, directly or indirectly, (i) for taxable  
9           years ending on or after December 31, 2004, to a  
10          foreign person who would be a member of the same  
11          unitary business group but for the fact that the  
12          foreign person's business activity outside the United  
13          States is 80% or more of that person's total business  
14          activity and (ii) for taxable years ending on or after  
15          December 31, 2008, to a person who would be a member of  
16          the same unitary business group but for the fact that  
17          the person is prohibited under Section 1501(a)(27)  
18          from being included in the unitary business group  
19          because he or she is ordinarily required to apportion  
20          business income under different subsections of Section  
21          304. The addition modification required by this  
22          subparagraph shall be reduced to the extent that  
23          dividends were included in base income of the unitary  
24          group for the same taxable year and received by the  
25          taxpayer or by a member of the taxpayer's unitary  
26          business group (including amounts included in gross

1 income pursuant to Sections 951 through 964 of the  
2 Internal Revenue Code and amounts included in gross  
3 income under Section 78 of the Internal Revenue Code)  
4 with respect to the stock of the same person to whom  
5 the intangible expenses and costs were directly or  
6 indirectly paid, incurred, or accrued. The preceding  
7 sentence shall not apply to the extent that the same  
8 dividends caused a reduction to the addition  
9 modification required under Section 203(c)(2)(G-12) of  
10 this Act. As used in this subparagraph, the term  
11 "intangible expenses and costs" includes: (1)  
12 expenses, losses, and costs for or related to the  
13 direct or indirect acquisition, use, maintenance or  
14 management, ownership, sale, exchange, or any other  
15 disposition of intangible property; (2) losses  
16 incurred, directly or indirectly, from factoring  
17 transactions or discounting transactions; (3) royalty,  
18 patent, technical, and copyright fees; (4) licensing  
19 fees; and (5) other similar expenses and costs. For  
20 purposes of this subparagraph, "intangible property"  
21 includes patents, patent applications, trade names,  
22 trademarks, service marks, copyrights, mask works,  
23 trade secrets, and similar types of intangible assets.

24 This paragraph shall not apply to the following:

25 (i) any item of intangible expenses or costs  
26 paid, accrued, or incurred, directly or

1 indirectly, from a transaction with a person who  
2 is subject in a foreign country or state, other  
3 than a state which requires mandatory unitary  
4 reporting, to a tax on or measured by net income  
5 with respect to such item; or

6 (ii) any item of intangible expense or cost  
7 paid, accrued, or incurred, directly or  
8 indirectly, if the taxpayer can establish, based  
9 on a preponderance of the evidence, both of the  
10 following:

11 (a) the person during the same taxable  
12 year paid, accrued, or incurred, the  
13 intangible expense or cost to a person that is  
14 not a related member, and

15 (b) the transaction giving rise to the  
16 intangible expense or cost between the  
17 taxpayer and the person did not have as a  
18 principal purpose the avoidance of Illinois  
19 income tax, and is paid pursuant to a contract  
20 or agreement that reflects arm's-length terms;  
21 or

22 (iii) any item of intangible expense or cost  
23 paid, accrued, or incurred, directly or  
24 indirectly, from a transaction with a person if  
25 the taxpayer establishes by clear and convincing  
26 evidence, that the adjustments are unreasonable;

1 or if the taxpayer and the Director agree in  
2 writing to the application or use of an  
3 alternative method of apportionment under Section  
4 304(f);

5 Nothing in this subsection shall preclude the  
6 Director from making any other adjustment  
7 otherwise allowed under Section 404 of this Act  
8 for any tax year beginning after the effective  
9 date of this amendment provided such adjustment is  
10 made pursuant to regulation adopted by the  
11 Department and such regulations provide methods  
12 and standards by which the Department will utilize  
13 its authority under Section 404 of this Act;

14 (G-14) For taxable years ending on or after  
15 December 31, 2008, an amount equal to the amount of  
16 insurance premium expenses and costs otherwise allowed  
17 as a deduction in computing base income, and that were  
18 paid, accrued, or incurred, directly or indirectly, to  
19 a person who would be a member of the same unitary  
20 business group but for the fact that the person is  
21 prohibited under Section 1501(a)(27) from being  
22 included in the unitary business group because he or  
23 she is ordinarily required to apportion business  
24 income under different subsections of Section 304. The  
25 addition modification required by this subparagraph  
26 shall be reduced to the extent that dividends were

1 included in base income of the unitary group for the  
2 same taxable year and received by the taxpayer or by a  
3 member of the taxpayer's unitary business group  
4 (including amounts included in gross income under  
5 Sections 951 through 964 of the Internal Revenue Code  
6 and amounts included in gross income under Section 78  
7 of the Internal Revenue Code) with respect to the  
8 stock of the same person to whom the premiums and costs  
9 were directly or indirectly paid, incurred, or  
10 accrued. The preceding sentence does not apply to the  
11 extent that the same dividends caused a reduction to  
12 the addition modification required under Section  
13 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this  
14 Act;

15 (G-15) An amount equal to the credit allowable to  
16 the taxpayer under Section 218(a) of this Act,  
17 determined without regard to Section 218(c) of this  
18 Act;

19 (G-16) For taxable years ending on or after  
20 December 31, 2017, an amount equal to the deduction  
21 allowed under Section 199 of the Internal Revenue Code  
22 for the taxable year;

23 and by deducting from the total so obtained the sum of the  
24 following amounts:

25 (H) An amount equal to all amounts included in  
26 such total pursuant to the provisions of Sections

1           402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408  
2           of the Internal Revenue Code or included in such total  
3           as distributions under the provisions of any  
4           retirement or disability plan for employees of any  
5           governmental agency or unit, or retirement payments to  
6           retired partners, which payments are excluded in  
7           computing net earnings from self employment by Section  
8           1402 of the Internal Revenue Code and regulations  
9           adopted pursuant thereto;

10           (I) The valuation limitation amount;

11           (J) An amount equal to the amount of any tax  
12           imposed by this Act which was refunded to the taxpayer  
13           and included in such total for the taxable year;

14           (K) An amount equal to all amounts included in  
15           taxable income as modified by subparagraphs (A), (B),  
16           (C), (D), (E), (F) and (G) which are exempt from  
17           taxation by this State either by reason of its  
18           statutes or Constitution or by reason of the  
19           Constitution, treaties or statutes of the United  
20           States; provided that, in the case of any statute of  
21           this State that exempts income derived from bonds or  
22           other obligations from the tax imposed under this Act,  
23           the amount exempted shall be the interest net of bond  
24           premium amortization;

25           (L) With the exception of any amounts subtracted  
26           under subparagraph (K), an amount equal to the sum of

1 all amounts disallowed as deductions by (i) Sections  
2 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
3 and all amounts of expenses allocable to interest and  
4 disallowed as deductions by Section 265(a)(1) of the  
5 Internal Revenue Code; and (ii) for taxable years  
6 ending on or after August 13, 1999, Sections  
7 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
8 Internal Revenue Code, plus, (iii) for taxable years  
9 ending on or after December 31, 2011, Section  
10 45G(e)(3) of the Internal Revenue Code and, for  
11 taxable years ending on or after December 31, 2008,  
12 any amount included in gross income under Section 87  
13 of the Internal Revenue Code; the provisions of this  
14 subparagraph are exempt from the provisions of Section  
15 250;

16 (M) An amount equal to those dividends included in  
17 such total which were paid by a corporation which  
18 conducts business operations in a River Edge  
19 Redevelopment Zone or zones created under the River  
20 Edge Redevelopment Zone Act and conducts substantially  
21 all of its operations in a River Edge Redevelopment  
22 Zone or zones. This subparagraph (M) is exempt from  
23 the provisions of Section 250;

24 (N) An amount equal to any contribution made to a  
25 job training project established pursuant to the Tax  
26 Increment Allocation Redevelopment Act;



1           (O) An amount equal to those dividends included in  
2 such total that were paid by a corporation that  
3 conducts business operations in a federally designated  
4 Foreign Trade Zone or Sub-Zone and that is designated  
5 a High Impact Business located in Illinois; provided  
6 that dividends eligible for the deduction provided in  
7 subparagraph (M) of paragraph (2) of this subsection  
8 shall not be eligible for the deduction provided under  
9 this subparagraph (O);

10           (P) An amount equal to the amount of the deduction  
11 used to compute the federal income tax credit for  
12 restoration of substantial amounts held under claim of  
13 right for the taxable year pursuant to Section 1341 of  
14 the Internal Revenue Code;

15           (Q) For taxable year 1999 and thereafter, an  
16 amount equal to the amount of any (i) distributions,  
17 to the extent includible in gross income for federal  
18 income tax purposes, made to the taxpayer because of  
19 his or her status as a victim of persecution for racial  
20 or religious reasons by Nazi Germany or any other Axis  
21 regime or as an heir of the victim and (ii) items of  
22 income, to the extent includible in gross income for  
23 federal income tax purposes, attributable to, derived  
24 from or in any way related to assets stolen from,  
25 hidden from, or otherwise lost to a victim of  
26 persecution for racial or religious reasons by Nazi

1 Germany or any other Axis regime immediately prior to,  
2 during, and immediately after World War II, including,  
3 but not limited to, interest on the proceeds  
4 receivable as insurance under policies issued to a  
5 victim of persecution for racial or religious reasons  
6 by Nazi Germany or any other Axis regime by European  
7 insurance companies immediately prior to and during  
8 World War II; provided, however, this subtraction from  
9 federal adjusted gross income does not apply to assets  
10 acquired with such assets or with the proceeds from  
11 the sale of such assets; provided, further, this  
12 paragraph shall only apply to a taxpayer who was the  
13 first recipient of such assets after their recovery  
14 and who is a victim of persecution for racial or  
15 religious reasons by Nazi Germany or any other Axis  
16 regime or as an heir of the victim. The amount of and  
17 the eligibility for any public assistance, benefit, or  
18 similar entitlement is not affected by the inclusion  
19 of items (i) and (ii) of this paragraph in gross income  
20 for federal income tax purposes. This paragraph is  
21 exempt from the provisions of Section 250;

22 (R) For taxable years 2001 and thereafter, for the  
23 taxable year in which the bonus depreciation deduction  
24 is taken on the taxpayer's federal income tax return  
25 under subsection (k) of Section 168 of the Internal  
26 Revenue Code and for each applicable taxable year

1           thereafter, an amount equal to "x", where:

2                   (1) "y" equals the amount of the depreciation  
3                   deduction taken for the taxable year on the  
4                   taxpayer's federal income tax return on property  
5                   for which the bonus depreciation deduction was  
6                   taken in any year under subsection (k) of Section  
7                   168 of the Internal Revenue Code, but not  
8                   including the bonus depreciation deduction;

9                   (2) for taxable years ending on or before  
10                   December 31, 2005, "x" equals "y" multiplied by 30  
11                   and then divided by 70 (or "y" multiplied by  
12                   0.429); and

13                   (3) for taxable years ending after December  
14                   31, 2005:

15                           (i) for property on which a bonus  
16                           depreciation deduction of 30% of the adjusted  
17                           basis was taken, "x" equals "y" multiplied by  
18                           30 and then divided by 70 (or "y" multiplied  
19                           by 0.429);

20                           (ii) for property on which a bonus  
21                           depreciation deduction of 50% of the adjusted  
22                           basis was taken, "x" equals "y" multiplied by  
23                           1.0;

24                           (iii) for property on which a bonus  
25                           depreciation deduction of 100% of the adjusted  
26                           basis was taken in a taxable year ending on or

1 after December 31, 2021, "x" equals the  
2 depreciation deduction that would be allowed  
3 on that property if the taxpayer had made the  
4 election under Section 168(k)(7) of the  
5 Internal Revenue Code to not claim bonus  
6 depreciation on that property; and

7 (iv) for property on which a bonus  
8 depreciation deduction of a percentage other  
9 than 30%, 50% or 100% of the adjusted basis  
10 was taken in a taxable year ending on or after  
11 December 31, 2021, "x" equals "y" multiplied  
12 by 100 times the percentage bonus depreciation  
13 on the property (that is,  $100(\text{bonus}\%)$ ) and  
14 then divided by 100 times 1 minus the  
15 percentage bonus depreciation on the property  
16 (that is,  $100(1-\text{bonus}\%)$ ).

17 The aggregate amount deducted under this  
18 subparagraph in all taxable years for any one piece of  
19 property may not exceed the amount of the bonus  
20 depreciation deduction taken on that property on the  
21 taxpayer's federal income tax return under subsection  
22 (k) of Section 168 of the Internal Revenue Code. This  
23 subparagraph (R) is exempt from the provisions of  
24 Section 250;

25 (S) If the taxpayer sells, transfers, abandons, or  
26 otherwise disposes of property for which the taxpayer

1 was required in any taxable year to make an addition  
2 modification under subparagraph (G-10), then an amount  
3 equal to that addition modification.

4 If the taxpayer continues to own property through  
5 the last day of the last tax year for which a  
6 subtraction is allowed with respect to that property  
7 under subparagraph (R) and for which the taxpayer was  
8 required in any taxable year to make an addition  
9 modification under subparagraph (G-10), then an amount  
10 equal to that addition modification.

11 The taxpayer is allowed to take the deduction  
12 under this subparagraph only once with respect to any  
13 one piece of property.

14 This subparagraph (S) is exempt from the  
15 provisions of Section 250;

16 (T) The amount of (i) any interest income (net of  
17 the deductions allocable thereto) taken into account  
18 for the taxable year with respect to a transaction  
19 with a taxpayer that is required to make an addition  
20 modification with respect to such transaction under  
21 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
22 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
23 the amount of such addition modification and (ii) any  
24 income from intangible property (net of the deductions  
25 allocable thereto) taken into account for the taxable  
26 year with respect to a transaction with a taxpayer

1           that is required to make an addition modification with  
2           respect to such transaction under Section  
3           203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
4           203(d)(2)(D-8), but not to exceed the amount of such  
5           addition modification. This subparagraph (T) is exempt  
6           from the provisions of Section 250;

7           (U) An amount equal to the interest income taken  
8           into account for the taxable year (net of the  
9           deductions allocable thereto) with respect to  
10          transactions with (i) a foreign person who would be a  
11          member of the taxpayer's unitary business group but  
12          for the fact the foreign person's business activity  
13          outside the United States is 80% or more of that  
14          person's total business activity and (ii) for taxable  
15          years ending on or after December 31, 2008, to a person  
16          who would be a member of the same unitary business  
17          group but for the fact that the person is prohibited  
18          under Section 1501(a)(27) from being included in the  
19          unitary business group because he or she is ordinarily  
20          required to apportion business income under different  
21          subsections of Section 304, but not to exceed the  
22          addition modification required to be made for the same  
23          taxable year under Section 203(c)(2)(G-12) for  
24          interest paid, accrued, or incurred, directly or  
25          indirectly, to the same person. This subparagraph (U)  
26          is exempt from the provisions of Section 250;

1           (V) An amount equal to the income from intangible  
2           property taken into account for the taxable year (net  
3           of the deductions allocable thereto) with respect to  
4           transactions with (i) a foreign person who would be a  
5           member of the taxpayer's unitary business group but  
6           for the fact that the foreign person's business  
7           activity outside the United States is 80% or more of  
8           that person's total business activity and (ii) for  
9           taxable years ending on or after December 31, 2008, to  
10          a person who would be a member of the same unitary  
11          business group but for the fact that the person is  
12          prohibited under Section 1501(a)(27) from being  
13          included in the unitary business group because he or  
14          she is ordinarily required to apportion business  
15          income under different subsections of Section 304, but  
16          not to exceed the addition modification required to be  
17          made for the same taxable year under Section  
18          203(c)(2)(G-13) for intangible expenses and costs  
19          paid, accrued, or incurred, directly or indirectly, to  
20          the same foreign person. This subparagraph (V) is  
21          exempt from the provisions of Section 250;

22          (W) in the case of an estate, an amount equal to  
23          all amounts included in such total pursuant to the  
24          provisions of Section 111 of the Internal Revenue Code  
25          as a recovery of items previously deducted by the  
26          decendent from adjusted gross income in the computation

1 of taxable income. This subparagraph (W) is exempt  
2 from Section 250;

3 (X) an amount equal to the refund included in such  
4 total of any tax deducted for federal income tax  
5 purposes, to the extent that deduction was added back  
6 under subparagraph (F). This subparagraph (X) is  
7 exempt from the provisions of Section 250;

8 (Y) For taxable years ending on or after December  
9 31, 2011, in the case of a taxpayer who was required to  
10 add back any insurance premiums under Section  
11 203(c)(2)(G-14), such taxpayer may elect to subtract  
12 that part of a reimbursement received from the  
13 insurance company equal to the amount of the expense  
14 or loss (including expenses incurred by the insurance  
15 company) that would have been taken into account as a  
16 deduction for federal income tax purposes if the  
17 expense or loss had been uninsured. If a taxpayer  
18 makes the election provided for by this subparagraph  
19 (Y), the insurer to which the premiums were paid must  
20 add back to income the amount subtracted by the  
21 taxpayer pursuant to this subparagraph (Y). This  
22 subparagraph (Y) is exempt from the provisions of  
23 Section 250;

24 (Z) For taxable years beginning after December 31,  
25 2018 and before January 1, 2026, the amount of excess  
26 business loss of the taxpayer disallowed as a



1 deduction by Section 461(1)(1)(B) of the Internal  
2 Revenue Code; and

3 (AA) For taxable years beginning on or after  
4 January 1, 2023, for any cannabis establishment  
5 operating in this State and licensed under the  
6 Cannabis Regulation and Tax Act or any cannabis  
7 cultivation center or medical cannabis dispensing  
8 organization operating in this State and licensed  
9 under the Compassionate Use of Medical Cannabis  
10 Program Act, an amount equal to the deductions that  
11 were disallowed under Section 280E of the Internal  
12 Revenue Code for the taxable year and that would not be  
13 added back under this subsection. The provisions of  
14 this subparagraph (AA) are exempt from the provisions  
15 of Section 250.

16 (3) Limitation. The amount of any modification  
17 otherwise required under this subsection shall, under  
18 regulations prescribed by the Department, be adjusted by  
19 any amounts included therein which were properly paid,  
20 credited, or required to be distributed, or permanently  
21 set aside for charitable purposes pursuant to Internal  
22 Revenue Code Section 642(c) during the taxable year.

23 (d) Partnerships.

24 (1) In general. In the case of a partnership, base  
25 income means an amount equal to the taxpayer's taxable

1 income for the taxable year as modified by paragraph (2).

2 (2) Modifications. The taxable income referred to in  
3 paragraph (1) shall be modified by adding thereto the sum  
4 of the following amounts:

5 (A) An amount equal to all amounts paid or accrued  
6 to the taxpayer as interest or dividends during the  
7 taxable year to the extent excluded from gross income  
8 in the computation of taxable income;

9 (B) An amount equal to the amount of tax imposed by  
10 this Act to the extent deducted from gross income for  
11 the taxable year;

12 (C) The amount of deductions allowed to the  
13 partnership pursuant to Section 707 (c) of the  
14 Internal Revenue Code in calculating its taxable  
15 income;

16 (D) An amount equal to the amount of the capital  
17 gain deduction allowable under the Internal Revenue  
18 Code, to the extent deducted from gross income in the  
19 computation of taxable income;

20 (D-5) For taxable years 2001 and thereafter, an  
21 amount equal to the bonus depreciation deduction taken  
22 on the taxpayer's federal income tax return for the  
23 taxable year under subsection (k) of Section 168 of  
24 the Internal Revenue Code;

25 (D-6) If the taxpayer sells, transfers, abandons,  
26 or otherwise disposes of property for which the

1 taxpayer was required in any taxable year to make an  
2 addition modification under subparagraph (D-5), then  
3 an amount equal to the aggregate amount of the  
4 deductions taken in all taxable years under  
5 subparagraph (O) with respect to that property.

6 If the taxpayer continues to own property through  
7 the last day of the last tax year for which a  
8 subtraction is allowed with respect to that property  
9 under subparagraph (O) and for which the taxpayer was  
10 allowed in any taxable year to make a subtraction  
11 modification under subparagraph (O), then an amount  
12 equal to that subtraction modification.

13 The taxpayer is required to make the addition  
14 modification under this subparagraph only once with  
15 respect to any one piece of property;

16 (D-7) An amount equal to the amount otherwise  
17 allowed as a deduction in computing base income for  
18 interest paid, accrued, or incurred, directly or  
19 indirectly, (i) for taxable years ending on or after  
20 December 31, 2004, to a foreign person who would be a  
21 member of the same unitary business group but for the  
22 fact the foreign person's business activity outside  
23 the United States is 80% or more of the foreign  
24 person's total business activity and (ii) for taxable  
25 years ending on or after December 31, 2008, to a person  
26 who would be a member of the same unitary business

1 group but for the fact that the person is prohibited  
2 under Section 1501(a)(27) from being included in the  
3 unitary business group because he or she is ordinarily  
4 required to apportion business income under different  
5 subsections of Section 304. The addition modification  
6 required by this subparagraph shall be reduced to the  
7 extent that dividends were included in base income of  
8 the unitary group for the same taxable year and  
9 received by the taxpayer or by a member of the  
10 taxpayer's unitary business group (including amounts  
11 included in gross income pursuant to Sections 951  
12 through 964 of the Internal Revenue Code and amounts  
13 included in gross income under Section 78 of the  
14 Internal Revenue Code) with respect to the stock of  
15 the same person to whom the interest was paid,  
16 accrued, or incurred.

17 This paragraph shall not apply to the following:

18 (i) an item of interest paid, accrued, or  
19 incurred, directly or indirectly, to a person who  
20 is subject in a foreign country or state, other  
21 than a state which requires mandatory unitary  
22 reporting, to a tax on or measured by net income  
23 with respect to such interest; or

24 (ii) an item of interest paid, accrued, or  
25 incurred, directly or indirectly, to a person if  
26 the taxpayer can establish, based on a

1           preponderance of the evidence, both of the  
2           following:

3                   (a) the person, during the same taxable  
4                   year, paid, accrued, or incurred, the interest  
5                   to a person that is not a related member, and

6                   (b) the transaction giving rise to the  
7                   interest expense between the taxpayer and the  
8                   person did not have as a principal purpose the  
9                   avoidance of Illinois income tax, and is paid  
10                  pursuant to a contract or agreement that  
11                  reflects an arm's-length interest rate and  
12                  terms; or

13                  (iii) the taxpayer can establish, based on  
14                  clear and convincing evidence, that the interest  
15                  paid, accrued, or incurred relates to a contract  
16                  or agreement entered into at arm's-length rates  
17                  and terms and the principal purpose for the  
18                  payment is not federal or Illinois tax avoidance;  
19                  or

20                  (iv) an item of interest paid, accrued, or  
21                  incurred, directly or indirectly, to a person if  
22                  the taxpayer establishes by clear and convincing  
23                  evidence that the adjustments are unreasonable; or  
24                  if the taxpayer and the Director agree in writing  
25                  to the application or use of an alternative method  
26                  of apportionment under Section 304(f).

1           Nothing in this subsection shall preclude the  
2           Director from making any other adjustment  
3           otherwise allowed under Section 404 of this Act  
4           for any tax year beginning after the effective  
5           date of this amendment provided such adjustment is  
6           made pursuant to regulation adopted by the  
7           Department and such regulations provide methods  
8           and standards by which the Department will utilize  
9           its authority under Section 404 of this Act; and

10           (D-8) An amount equal to the amount of intangible  
11           expenses and costs otherwise allowed as a deduction in  
12           computing base income, and that were paid, accrued, or  
13           incurred, directly or indirectly, (i) for taxable  
14           years ending on or after December 31, 2004, to a  
15           foreign person who would be a member of the same  
16           unitary business group but for the fact that the  
17           foreign person's business activity outside the United  
18           States is 80% or more of that person's total business  
19           activity and (ii) for taxable years ending on or after  
20           December 31, 2008, to a person who would be a member of  
21           the same unitary business group but for the fact that  
22           the person is prohibited under Section 1501(a)(27)  
23           from being included in the unitary business group  
24           because he or she is ordinarily required to apportion  
25           business income under different subsections of Section  
26           304. The addition modification required by this

1           subparagraph shall be reduced to the extent that  
2           dividends were included in base income of the unitary  
3           group for the same taxable year and received by the  
4           taxpayer or by a member of the taxpayer's unitary  
5           business group (including amounts included in gross  
6           income pursuant to Sections 951 through 964 of the  
7           Internal Revenue Code and amounts included in gross  
8           income under Section 78 of the Internal Revenue Code)  
9           with respect to the stock of the same person to whom  
10          the intangible expenses and costs were directly or  
11          indirectly paid, incurred or accrued. The preceding  
12          sentence shall not apply to the extent that the same  
13          dividends caused a reduction to the addition  
14          modification required under Section 203(d)(2)(D-7) of  
15          this Act. As used in this subparagraph, the term  
16          "intangible expenses and costs" includes (1) expenses,  
17          losses, and costs for, or related to, the direct or  
18          indirect acquisition, use, maintenance or management,  
19          ownership, sale, exchange, or any other disposition of  
20          intangible property; (2) losses incurred, directly or  
21          indirectly, from factoring transactions or discounting  
22          transactions; (3) royalty, patent, technical, and  
23          copyright fees; (4) licensing fees; and (5) other  
24          similar expenses and costs. For purposes of this  
25          subparagraph, "intangible property" includes patents,  
26          patent applications, trade names, trademarks, service

1 marks, copyrights, mask works, trade secrets, and  
2 similar types of intangible assets;

3 This paragraph shall not apply to the following:

4 (i) any item of intangible expenses or costs  
5 paid, accrued, or incurred, directly or  
6 indirectly, from a transaction with a person who  
7 is subject in a foreign country or state, other  
8 than a state which requires mandatory unitary  
9 reporting, to a tax on or measured by net income  
10 with respect to such item; or

11 (ii) any item of intangible expense or cost  
12 paid, accrued, or incurred, directly or  
13 indirectly, if the taxpayer can establish, based  
14 on a preponderance of the evidence, both of the  
15 following:

16 (a) the person during the same taxable  
17 year paid, accrued, or incurred, the  
18 intangible expense or cost to a person that is  
19 not a related member, and

20 (b) the transaction giving rise to the  
21 intangible expense or cost between the  
22 taxpayer and the person did not have as a  
23 principal purpose the avoidance of Illinois  
24 income tax, and is paid pursuant to a contract  
25 or agreement that reflects arm's-length terms;  
26 or



1 (iii) any item of intangible expense or cost  
2 paid, accrued, or incurred, directly or  
3 indirectly, from a transaction with a person if  
4 the taxpayer establishes by clear and convincing  
5 evidence, that the adjustments are unreasonable;  
6 or if the taxpayer and the Director agree in  
7 writing to the application or use of an  
8 alternative method of apportionment under Section  
9 304(f);

10 Nothing in this subsection shall preclude the  
11 Director from making any other adjustment  
12 otherwise allowed under Section 404 of this Act  
13 for any tax year beginning after the effective  
14 date of this amendment provided such adjustment is  
15 made pursuant to regulation adopted by the  
16 Department and such regulations provide methods  
17 and standards by which the Department will utilize  
18 its authority under Section 404 of this Act;

19 (D-9) For taxable years ending on or after  
20 December 31, 2008, an amount equal to the amount of  
21 insurance premium expenses and costs otherwise allowed  
22 as a deduction in computing base income, and that were  
23 paid, accrued, or incurred, directly or indirectly, to  
24 a person who would be a member of the same unitary  
25 business group but for the fact that the person is  
26 prohibited under Section 1501(a)(27) from being

1 included in the unitary business group because he or  
2 she is ordinarily required to apportion business  
3 income under different subsections of Section 304. The  
4 addition modification required by this subparagraph  
5 shall be reduced to the extent that dividends were  
6 included in base income of the unitary group for the  
7 same taxable year and received by the taxpayer or by a  
8 member of the taxpayer's unitary business group  
9 (including amounts included in gross income under  
10 Sections 951 through 964 of the Internal Revenue Code  
11 and amounts included in gross income under Section 78  
12 of the Internal Revenue Code) with respect to the  
13 stock of the same person to whom the premiums and costs  
14 were directly or indirectly paid, incurred, or  
15 accrued. The preceding sentence does not apply to the  
16 extent that the same dividends caused a reduction to  
17 the addition modification required under Section  
18 203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

19 (D-10) An amount equal to the credit allowable to  
20 the taxpayer under Section 218(a) of this Act,  
21 determined without regard to Section 218(c) of this  
22 Act;

23 (D-11) For taxable years ending on or after  
24 December 31, 2017, an amount equal to the deduction  
25 allowed under Section 199 of the Internal Revenue Code  
26 for the taxable year;

1 and by deducting from the total so obtained the following  
2 amounts:

3 (E) The valuation limitation amount;

4 (F) An amount equal to the amount of any tax  
5 imposed by this Act which was refunded to the taxpayer  
6 and included in such total for the taxable year;

7 (G) An amount equal to all amounts included in  
8 taxable income as modified by subparagraphs (A), (B),  
9 (C) and (D) which are exempt from taxation by this  
10 State either by reason of its statutes or Constitution  
11 or by reason of the Constitution, treaties or statutes  
12 of the United States; provided that, in the case of any  
13 statute of this State that exempts income derived from  
14 bonds or other obligations from the tax imposed under  
15 this Act, the amount exempted shall be the interest  
16 net of bond premium amortization;

17 (H) Any income of the partnership which  
18 constitutes personal service income as defined in  
19 Section 1348(b)(1) of the Internal Revenue Code (as in  
20 effect December 31, 1981) or a reasonable allowance  
21 for compensation paid or accrued for services rendered  
22 by partners to the partnership, whichever is greater;  
23 this subparagraph (H) is exempt from the provisions of  
24 Section 250;

25 (I) An amount equal to all amounts of income  
26 distributable to an entity subject to the Personal

1 Property Tax Replacement Income Tax imposed by  
2 subsections (c) and (d) of Section 201 of this Act  
3 including amounts distributable to organizations  
4 exempt from federal income tax by reason of Section  
5 501(a) of the Internal Revenue Code; this subparagraph  
6 (I) is exempt from the provisions of Section 250;

7 (J) With the exception of any amounts subtracted  
8 under subparagraph (G), an amount equal to the sum of  
9 all amounts disallowed as deductions by (i) Sections  
10 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
11 and all amounts of expenses allocable to interest and  
12 disallowed as deductions by Section 265(a)(1) of the  
13 Internal Revenue Code; and (ii) for taxable years  
14 ending on or after August 13, 1999, Sections  
15 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
16 Internal Revenue Code, plus, (iii) for taxable years  
17 ending on or after December 31, 2011, Section  
18 45G(e)(3) of the Internal Revenue Code and, for  
19 taxable years ending on or after December 31, 2008,  
20 any amount included in gross income under Section 87  
21 of the Internal Revenue Code; the provisions of this  
22 subparagraph are exempt from the provisions of Section  
23 250;

24 (K) An amount equal to those dividends included in  
25 such total which were paid by a corporation which  
26 conducts business operations in a River Edge

1           Redevelopment Zone or zones created under the River  
2           Edge Redevelopment Zone Act and conducts substantially  
3           all of its operations from a River Edge Redevelopment  
4           Zone or zones. This subparagraph (K) is exempt from  
5           the provisions of Section 250;

6           (L) An amount equal to any contribution made to a  
7           job training project established pursuant to the Real  
8           Property Tax Increment Allocation Redevelopment Act;

9           (M) An amount equal to those dividends included in  
10          such total that were paid by a corporation that  
11          conducts business operations in a federally designated  
12          Foreign Trade Zone or Sub-Zone and that is designated  
13          a High Impact Business located in Illinois; provided  
14          that dividends eligible for the deduction provided in  
15          subparagraph (K) of paragraph (2) of this subsection  
16          shall not be eligible for the deduction provided under  
17          this subparagraph (M);

18          (N) An amount equal to the amount of the deduction  
19          used to compute the federal income tax credit for  
20          restoration of substantial amounts held under claim of  
21          right for the taxable year pursuant to Section 1341 of  
22          the Internal Revenue Code;

23          (O) For taxable years 2001 and thereafter, for the  
24          taxable year in which the bonus depreciation deduction  
25          is taken on the taxpayer's federal income tax return  
26          under subsection (k) of Section 168 of the Internal

1 Revenue Code and for each applicable taxable year  
2 thereafter, an amount equal to "x", where:

3 (1) "y" equals the amount of the depreciation  
4 deduction taken for the taxable year on the  
5 taxpayer's federal income tax return on property  
6 for which the bonus depreciation deduction was  
7 taken in any year under subsection (k) of Section  
8 168 of the Internal Revenue Code, but not  
9 including the bonus depreciation deduction;

10 (2) for taxable years ending on or before  
11 December 31, 2005, "x" equals "y" multiplied by 30  
12 and then divided by 70 (or "y" multiplied by  
13 0.429); and

14 (3) for taxable years ending after December  
15 31, 2005:

16 (i) for property on which a bonus  
17 depreciation deduction of 30% of the adjusted  
18 basis was taken, "x" equals "y" multiplied by  
19 30 and then divided by 70 (or "y" multiplied  
20 by 0.429);

21 (ii) for property on which a bonus  
22 depreciation deduction of 50% of the adjusted  
23 basis was taken, "x" equals "y" multiplied by  
24 1.0;

25 (iii) for property on which a bonus  
26 depreciation deduction of 100% of the adjusted

1 basis was taken in a taxable year ending on or  
2 after December 31, 2021, "x" equals the  
3 depreciation deduction that would be allowed  
4 on that property if the taxpayer had made the  
5 election under Section 168(k)(7) of the  
6 Internal Revenue Code to not claim bonus  
7 depreciation on that property; and

8 (iv) for property on which a bonus  
9 depreciation deduction of a percentage other  
10 than 30%, 50% or 100% of the adjusted basis  
11 was taken in a taxable year ending on or after  
12 December 31, 2021, "x" equals "y" multiplied  
13 by 100 times the percentage bonus depreciation  
14 on the property (that is,  $100(\text{bonus}\%)$ ) and  
15 then divided by 100 times 1 minus the  
16 percentage bonus depreciation on the property  
17 (that is,  $100(1-\text{bonus}\%)$ ).

18 The aggregate amount deducted under this  
19 subparagraph in all taxable years for any one piece of  
20 property may not exceed the amount of the bonus  
21 depreciation deduction taken on that property on the  
22 taxpayer's federal income tax return under subsection  
23 (k) of Section 168 of the Internal Revenue Code. This  
24 subparagraph (O) is exempt from the provisions of  
25 Section 250;

26 (P) If the taxpayer sells, transfers, abandons, or

1 otherwise disposes of property for which the taxpayer  
2 was required in any taxable year to make an addition  
3 modification under subparagraph (D-5), then an amount  
4 equal to that addition modification.

5 If the taxpayer continues to own property through  
6 the last day of the last tax year for which a  
7 subtraction is allowed with respect to that property  
8 under subparagraph (O) and for which the taxpayer was  
9 required in any taxable year to make an addition  
10 modification under subparagraph (D-5), then an amount  
11 equal to that addition modification.

12 The taxpayer is allowed to take the deduction  
13 under this subparagraph only once with respect to any  
14 one piece of property.

15 This subparagraph (P) is exempt from the  
16 provisions of Section 250;

17 (Q) The amount of (i) any interest income (net of  
18 the deductions allocable thereto) taken into account  
19 for the taxable year with respect to a transaction  
20 with a taxpayer that is required to make an addition  
21 modification with respect to such transaction under  
22 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
23 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
24 the amount of such addition modification and (ii) any  
25 income from intangible property (net of the deductions  
26 allocable thereto) taken into account for the taxable



1 year with respect to a transaction with a taxpayer  
2 that is required to make an addition modification with  
3 respect to such transaction under Section  
4 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
5 203(d)(2)(D-8), but not to exceed the amount of such  
6 addition modification. This subparagraph (Q) is exempt  
7 from Section 250;

8 (R) An amount equal to the interest income taken  
9 into account for the taxable year (net of the  
10 deductions allocable thereto) with respect to  
11 transactions with (i) a foreign person who would be a  
12 member of the taxpayer's unitary business group but  
13 for the fact that the foreign person's business  
14 activity outside the United States is 80% or more of  
15 that person's total business activity and (ii) for  
16 taxable years ending on or after December 31, 2008, to  
17 a person who would be a member of the same unitary  
18 business group but for the fact that the person is  
19 prohibited under Section 1501(a)(27) from being  
20 included in the unitary business group because he or  
21 she is ordinarily required to apportion business  
22 income under different subsections of Section 304, but  
23 not to exceed the addition modification required to be  
24 made for the same taxable year under Section  
25 203(d)(2)(D-7) for interest paid, accrued, or  
26 incurred, directly or indirectly, to the same person.

1           This subparagraph (R) is exempt from Section 250;

2           (S) An amount equal to the income from intangible  
3           property taken into account for the taxable year (net  
4           of the deductions allocable thereto) with respect to  
5           transactions with (i) a foreign person who would be a  
6           member of the taxpayer's unitary business group but  
7           for the fact that the foreign person's business  
8           activity outside the United States is 80% or more of  
9           that person's total business activity and (ii) for  
10          taxable years ending on or after December 31, 2008, to  
11          a person who would be a member of the same unitary  
12          business group but for the fact that the person is  
13          prohibited under Section 1501(a)(27) from being  
14          included in the unitary business group because he or  
15          she is ordinarily required to apportion business  
16          income under different subsections of Section 304, but  
17          not to exceed the addition modification required to be  
18          made for the same taxable year under Section  
19          203(d)(2)(D-8) for intangible expenses and costs paid,  
20          accrued, or incurred, directly or indirectly, to the  
21          same person. This subparagraph (S) is exempt from  
22          Section 250;

23          (T) For taxable years ending on or after December  
24          31, 2011, in the case of a taxpayer who was required to  
25          add back any insurance premiums under Section  
26          203(d)(2)(D-9), such taxpayer may elect to subtract

1           that part of a reimbursement received from the  
2           insurance company equal to the amount of the expense  
3           or loss (including expenses incurred by the insurance  
4           company) that would have been taken into account as a  
5           deduction for federal income tax purposes if the  
6           expense or loss had been uninsured. If a taxpayer  
7           makes the election provided for by this subparagraph  
8           (T), the insurer to which the premiums were paid must  
9           add back to income the amount subtracted by the  
10          taxpayer pursuant to this subparagraph (T). This  
11          subparagraph (T) is exempt from the provisions of  
12          Section 250; and

13           (U) For taxable years beginning on or after  
14          January 1, 2023, for any cannabis establishment  
15          operating in this State and licensed under the  
16          Cannabis Regulation and Tax Act or any cannabis  
17          cultivation center or medical cannabis dispensing  
18          organization operating in this State and licensed  
19          under the Compassionate Use of Medical Cannabis  
20          Program Act, an amount equal to the deductions that  
21          were disallowed under Section 280E of the Internal  
22          Revenue Code for the taxable year and that would not be  
23          added back under this subsection. The provisions of  
24          this subparagraph (U) are exempt from the provisions  
25          of Section 250.

1 (e) Gross income; adjusted gross income; taxable income.

2 (1) In general. Subject to the provisions of paragraph  
3 (2) and subsection (b) (3), for purposes of this Section  
4 and Section 803(e), a taxpayer's gross income, adjusted  
5 gross income, or taxable income for the taxable year shall  
6 mean the amount of gross income, adjusted gross income or  
7 taxable income properly reportable for federal income tax  
8 purposes for the taxable year under the provisions of the  
9 Internal Revenue Code. Taxable income may be less than  
10 zero. However, for taxable years ending on or after  
11 December 31, 1986, net operating loss carryforwards from  
12 taxable years ending prior to December 31, 1986, may not  
13 exceed the sum of federal taxable income for the taxable  
14 year before net operating loss deduction, plus the excess  
15 of addition modifications over subtraction modifications  
16 for the taxable year. For taxable years ending prior to  
17 December 31, 1986, taxable income may never be an amount  
18 in excess of the net operating loss for the taxable year as  
19 defined in subsections (c) and (d) of Section 172 of the  
20 Internal Revenue Code, provided that when taxable income  
21 of a corporation (other than a Subchapter S corporation),  
22 trust, or estate is less than zero and addition  
23 modifications, other than those provided by subparagraph  
24 (E) of paragraph (2) of subsection (b) for corporations or  
25 subparagraph (E) of paragraph (2) of subsection (c) for  
26 trusts and estates, exceed subtraction modifications, an

1 addition modification must be made under those  
2 subparagraphs for any other taxable year to which the  
3 taxable income less than zero (net operating loss) is  
4 applied under Section 172 of the Internal Revenue Code or  
5 under subparagraph (E) of paragraph (2) of this subsection  
6 (e) applied in conjunction with Section 172 of the  
7 Internal Revenue Code.

8 (2) Special rule. For purposes of paragraph (1) of  
9 this subsection, the taxable income properly reportable  
10 for federal income tax purposes shall mean:

11 (A) Certain life insurance companies. In the case  
12 of a life insurance company subject to the tax imposed  
13 by Section 801 of the Internal Revenue Code, life  
14 insurance company taxable income, plus the amount of  
15 distribution from pre-1984 policyholder surplus  
16 accounts as calculated under Section 815a of the  
17 Internal Revenue Code;

18 (B) Certain other insurance companies. In the case  
19 of mutual insurance companies subject to the tax  
20 imposed by Section 831 of the Internal Revenue Code,  
21 insurance company taxable income;

22 (C) Regulated investment companies. In the case of  
23 a regulated investment company subject to the tax  
24 imposed by Section 852 of the Internal Revenue Code,  
25 investment company taxable income;

26 (D) Real estate investment trusts. In the case of

1 a real estate investment trust subject to the tax  
2 imposed by Section 857 of the Internal Revenue Code,  
3 real estate investment trust taxable income;

4 (E) Consolidated corporations. In the case of a  
5 corporation which is a member of an affiliated group  
6 of corporations filing a consolidated income tax  
7 return for the taxable year for federal income tax  
8 purposes, taxable income determined as if such  
9 corporation had filed a separate return for federal  
10 income tax purposes for the taxable year and each  
11 preceding taxable year for which it was a member of an  
12 affiliated group. For purposes of this subparagraph,  
13 the taxpayer's separate taxable income shall be  
14 determined as if the election provided by Section  
15 243(b)(2) of the Internal Revenue Code had been in  
16 effect for all such years;

17 (F) Cooperatives. In the case of a cooperative  
18 corporation or association, the taxable income of such  
19 organization determined in accordance with the  
20 provisions of Section 1381 through 1388 of the  
21 Internal Revenue Code, but without regard to the  
22 prohibition against offsetting losses from patronage  
23 activities against income from nonpatronage  
24 activities; except that a cooperative corporation or  
25 association may make an election to follow its federal  
26 income tax treatment of patronage losses and

1 nonpatronage losses. In the event such election is  
2 made, such losses shall be computed and carried over  
3 in a manner consistent with subsection (a) of Section  
4 207 of this Act and apportioned by the apportionment  
5 factor reported by the cooperative on its Illinois  
6 income tax return filed for the taxable year in which  
7 the losses are incurred. The election shall be  
8 effective for all taxable years with original returns  
9 due on or after the date of the election. In addition,  
10 the cooperative may file an amended return or returns,  
11 as allowed under this Act, to provide that the  
12 election shall be effective for losses incurred or  
13 carried forward for taxable years occurring prior to  
14 the date of the election. Once made, the election may  
15 only be revoked upon approval of the Director. The  
16 Department shall adopt rules setting forth  
17 requirements for documenting the elections and any  
18 resulting Illinois net loss and the standards to be  
19 used by the Director in evaluating requests to revoke  
20 elections. Public Act 96-932 is declaratory of  
21 existing law;

22 (G) Subchapter S corporations. In the case of: (i)  
23 a Subchapter S corporation for which there is in  
24 effect an election for the taxable year under Section  
25 1362 of the Internal Revenue Code, the taxable income  
26 of such corporation determined in accordance with

1           Section 1363(b) of the Internal Revenue Code, except  
2           that taxable income shall take into account those  
3           items which are required by Section 1363(b)(1) of the  
4           Internal Revenue Code to be separately stated; and  
5           (ii) a Subchapter S corporation for which there is in  
6           effect a federal election to opt out of the provisions  
7           of the Subchapter S Revision Act of 1982 and have  
8           applied instead the prior federal Subchapter S rules  
9           as in effect on July 1, 1982, the taxable income of  
10          such corporation determined in accordance with the  
11          federal Subchapter S rules as in effect on July 1,  
12          1982; and

13           (H) Partnerships. In the case of a partnership,  
14          taxable income determined in accordance with Section  
15          703 of the Internal Revenue Code, except that taxable  
16          income shall take into account those items which are  
17          required by Section 703(a)(1) to be separately stated  
18          but which would be taken into account by an individual  
19          in calculating his taxable income.

20          (3) Recapture of business expenses on disposition of  
21          asset or business. Notwithstanding any other law to the  
22          contrary, if in prior years income from an asset or  
23          business has been classified as business income and in a  
24          later year is demonstrated to be non-business income, then  
25          all expenses, without limitation, deducted in such later  
26          year and in the 2 immediately preceding taxable years



1 related to that asset or business that generated the  
2 non-business income shall be added back and recaptured as  
3 business income in the year of the disposition of the  
4 asset or business. Such amount shall be apportioned to  
5 Illinois using the greater of the apportionment fraction  
6 computed for the business under Section 304 of this Act  
7 for the taxable year or the average of the apportionment  
8 fractions computed for the business under Section 304 of  
9 this Act for the taxable year and for the 2 immediately  
10 preceding taxable years.

11 (f) Valuation limitation amount.

12 (1) In general. The valuation limitation amount  
13 referred to in subsections (a) (2) (G), (c) (2) (I) and  
14 (d) (2) (E) is an amount equal to:

15 (A) The sum of the pre-August 1, 1969 appreciation  
16 amounts (to the extent consisting of gain reportable  
17 under the provisions of Section 1245 or 1250 of the  
18 Internal Revenue Code) for all property in respect of  
19 which such gain was reported for the taxable year;  
20 plus

21 (B) The lesser of (i) the sum of the pre-August 1,  
22 1969 appreciation amounts (to the extent consisting of  
23 capital gain) for all property in respect of which  
24 such gain was reported for federal income tax purposes  
25 for the taxable year, or (ii) the net capital gain for

1           the taxable year, reduced in either case by any amount  
2           of such gain included in the amount determined under  
3           subsection (a) (2) (F) or (c) (2) (H).

4           (2) Pre-August 1, 1969 appreciation amount.

5           (A) If the fair market value of property referred  
6           to in paragraph (1) was readily ascertainable on  
7           August 1, 1969, the pre-August 1, 1969 appreciation  
8           amount for such property is the lesser of (i) the  
9           excess of such fair market value over the taxpayer's  
10          basis (for determining gain) for such property on that  
11          date (determined under the Internal Revenue Code as in  
12          effect on that date), or (ii) the total gain realized  
13          and reportable for federal income tax purposes in  
14          respect of the sale, exchange or other disposition of  
15          such property.

16          (B) If the fair market value of property referred  
17          to in paragraph (1) was not readily ascertainable on  
18          August 1, 1969, the pre-August 1, 1969 appreciation  
19          amount for such property is that amount which bears  
20          the same ratio to the total gain reported in respect of  
21          the property for federal income tax purposes for the  
22          taxable year, as the number of full calendar months in  
23          that part of the taxpayer's holding period for the  
24          property ending July 31, 1969 bears to the number of  
25          full calendar months in the taxpayer's entire holding  
26          period for the property.



1 (35 ILCS 200/18-173)

2 Sec. 18-173. Housing opportunity area abatement program.

3 (a) For the purpose of promoting access to housing near  
4 work and in order to promote economic diversity throughout  
5 Illinois and to alleviate the concentration of low-income  
6 households in areas of high poverty, a housing opportunity  
7 area tax abatement program is created.

8 (b) As used in this Section:

9 "Housing authority" means either a housing authority  
10 created under the Housing Authorities Act or other government  
11 agency that is authorized by the United States government  
12 under the United States Housing Act of 1937 to administer a  
13 housing choice voucher program, or the authorized agent of  
14 such a housing authority that is authorized to act upon that  
15 authority's behalf.

16 "Housing choice voucher" means a tenant voucher issued by  
17 a housing authority under Section 8 of the United States  
18 Housing Act of 1937 and a tenant voucher converted to a  
19 project-based voucher by a housing authority.

20 "Housing opportunity area" means a census tract where less  
21 than 10% of the residents live below the poverty level, as  
22 defined by the United States government and determined by the  
23 most recent United States census, that is located within a  
24 qualified township, except for census tracts located within  
25 any township that is located wholly within a municipality with

1 1,000,000 or more inhabitants. A census tract that is located  
2 within a township that is located wholly within a municipality  
3 with 1,000,000 or more inhabitants is considered a housing  
4 opportunity area if less than 12% of the residents of the  
5 census tract live below the poverty level.

6 "Housing opportunity unit" means a dwelling unit located  
7 in residential property that is located in a housing  
8 opportunity area, that is owned by the applicant, and that is  
9 rented to and occupied by a tenant who is participating in a  
10 housing choice voucher program administered by a housing  
11 authority as of January 1st of the tax year for which the  
12 application is made.

13 "Qualified units" means the number of housing opportunity  
14 units located in the property with the limitation that no more  
15 than 2 units or 20% of the total units contained within the  
16 property, whichever is greater, may be considered qualified  
17 units. Further, no unit may be considered qualified unless the  
18 property in which it is contained is in substantial compliance  
19 with local building codes, and, moreover, no unit may be  
20 considered qualified unless it meets the United States  
21 Department of Housing and Urban Development's housing quality  
22 standards as of the most recent housing authority inspection.

23 "Qualified township" means a township located within a  
24 county with 200,000 or more inhabitants whose tax capacity  
25 exceeds 80% of the average tax capacity of the county in which  
26 it is located, except for townships located within a county

1 with 3,000,000 or more inhabitants, where a qualified township  
2 means a township whose tax capacity exceeds 115% of the  
3 average tax capacity of the county except for townships  
4 located wholly within a municipality with 1,000,000 or more  
5 inhabitants. All townships located wholly within a  
6 municipality with 1,000,000 or more inhabitants are considered  
7 qualified townships.

8 "Tax capacity" means the equalized assessed value of all  
9 taxable real estate located within a township or county  
10 divided by the total population of that township or county.

11 (c) The owner of property located within a housing  
12 opportunity area who has a housing choice voucher contract  
13 with a housing authority may apply for a housing opportunity  
14 area tax abatement by annually submitting an application to  
15 the housing authority that administers the housing choice  
16 voucher contract. The application must include the number of  
17 housing opportunity units as well as the total number of  
18 dwelling units contained within the property. The owner must,  
19 under oath, self-certify as to the total number of dwelling  
20 units in the property and must self-certify that the property  
21 is in substantial compliance with local building codes. The  
22 housing authority shall annually determine the number of  
23 qualified units located within each property for which an  
24 application is made.

25 The housing authority shall establish rules and procedures  
26 governing the application processes and may charge an

1 application fee. The county clerk may audit the applications  
2 to determine that the properties subject to the tax abatement  
3 meet the requirements of this Section. The determination of  
4 eligibility of a property for the housing opportunity area  
5 abatement shall be made annually; however, no property may  
6 receive an abatement for more than 10 tax years.

7 (d) The housing authority shall determine housing  
8 opportunity areas within its service area and annually deliver  
9 to the county clerk, in a manner determined by the county  
10 clerk, a list of all properties containing qualified units  
11 within that service area by December 31st of the tax year for  
12 which the property is eligible for abatement; the list shall  
13 include the number of qualified units and the total number of  
14 dwelling units for each property.

15 The county clerk shall deliver annually to a housing  
16 authority, upon that housing authority's request, the most  
17 recent available equalized assessed value for the county as a  
18 whole and for those taxing districts and townships so  
19 specified by the requesting housing authority.

20 (e) The county clerk shall abate the tax attributed to a  
21 portion of the property determined to be eligible for a  
22 housing opportunity area abatement. The portion eligible for  
23 abatement shall be determined by reducing the equalized  
24 assessment value by a percentage calculated using the  
25 following formula: 19% of the equalized assessed value of the  
26 property multiplied by a fraction where the numerator is the

1 number of qualified units and denominator is the total number  
2 of dwelling units located within the property.

3 (f) Any municipality, except for municipalities with  
4 1,000,000 or more inhabitants, may annually petition the  
5 county clerk to be excluded from a housing opportunity area if  
6 it is able to demonstrate that more than 2.5% of the total  
7 residential units located within that municipality are  
8 occupied by tenants under the housing choice voucher program.  
9 Properties located within an excluded municipality shall not  
10 be eligible for the housing opportunity area abatement for the  
11 tax year in which the petition is made.

12 (g) Applicability. This Section applies to tax years 2004  
13 through 2034 ~~2024~~, unless extended by law.

14 (Source: P.A. 98-957, eff. 8-15-14.)

15 ARTICLE 20.

16 Section 20-5. The Property Tax Code is amended by changing  
17 Section 21-355 as follows:

18 (35 ILCS 200/21-355)

19 Sec. 21-355. Amount of redemption. Any person desiring to  
20 redeem shall deposit an amount specified in this Section with  
21 the county clerk of the county in which the property is  
22 situated, in legal money of the United States, or by cashier's  
23 check, certified check, post office money order or money order



1 issued by a financial institution insured by an agency or  
2 instrumentality of the United States, payable to the county  
3 clerk of the proper county. The deposit shall be deemed timely  
4 only if actually received in person at the county clerk's  
5 office prior to the close of business as defined in Section  
6 3-2007 of the Counties Code on or before the expiration of the  
7 period of redemption or by United States mail with a post  
8 office cancellation mark dated not less than one day prior to  
9 the expiration of the period of redemption. The deposit shall  
10 be in an amount equal to the total of the following:

11 (a) the certificate amount, which shall include all  
12 tax principal, special assessments, interest and penalties  
13 paid by the tax purchaser together with costs and fees of  
14 sale and fees paid under Sections 21-295 and 21-315  
15 through 21-335, except for the nonrefundable \$80 fee paid,  
16 pursuant to Section 21-295, for each item purchased at the  
17 tax sale;

18 (b) the accrued penalty, computed through the date of  
19 redemption as a percentage of the certificate amount, as  
20 follows:

21 (1) if the redemption occurs on or before the  
22 expiration of 6 months from the date of sale, the  
23 certificate amount times the penalty bid at sale;

24 (2) if the redemption occurs after 6 months from  
25 the date of sale, and on or before the expiration of 12  
26 months from the date of sale, the certificate amount

1 times 2 times the penalty bid at sale;

2 (3) if the redemption occurs after 12 months from  
3 the date of sale and on or before the expiration of 18  
4 months from the date of sale, the certificate amount  
5 times 3 times the penalty bid at sale;

6 (4) if the redemption occurs after 18 months from  
7 the date of sale and on or before the expiration of 24  
8 months from the date of sale, the certificate amount  
9 times 4 times the penalty bid at sale;

10 (5) if the redemption occurs after 24 months from  
11 the date of sale and on or before the expiration of 30  
12 months from the date of sale, the certificate amount  
13 times 5 times the penalty bid at sale;

14 (6) if the redemption occurs after 30 months from  
15 the date of sale and on or before the expiration of 36  
16 months from the date of sale, the certificate amount  
17 times 6 times the penalty bid at sale.

18 In the event that the property to be redeemed has been  
19 purchased under Section 21-405 before January 1, 2024, the  
20 penalty bid shall be 12% per penalty period as set forth in  
21 subparagraphs (1) through (6) of this subsection (b). The  
22 changes to this subdivision (b)(6) made by this amendatory  
23 Act of the 91st General Assembly are not a new enactment,  
24 but declaratory of existing law.

25 For counties with fewer than 3,000,000 inhabitants, if  
26 the property to be redeemed is property with respect to

1 which a tax lien or certificate is acquired after January  
2 1, 2024 by the county as trustee pursuant to Section  
3 21-90, the penalty bid at sale shall accrue according to  
4 the penalty periods established in subparagraphs (1)  
5 through (6) of this subsection (b).

6 For counties with more than 3,000,000 inhabitants, if  
7 ~~If~~ the property to be redeemed is property with respect to  
8 which a tax lien or certificate is acquired on or after  
9 January 1, 2024 by the county as trustee pursuant to  
10 Section 21-90, the penalty bid is 0.75% and shall accrue  
11 monthly instead of according to the penalty periods  
12 established in subparagraphs (1) through (6) of this  
13 subsection (b).

14 (c) The total of all taxes, special assessments,  
15 accrued interest on those taxes and special assessments  
16 and costs charged in connection with the payment of those  
17 taxes or special assessments, except for the nonrefundable  
18 \$80 fee paid, pursuant to Section 21-295, for each item  
19 purchased at the tax sale, which have been paid by the tax  
20 certificate holder on or after the date those taxes or  
21 special assessments became delinquent together with 12%  
22 penalty on each amount so paid for each year or portion  
23 thereof intervening between the date of that payment and  
24 the date of redemption. In counties with less than  
25 3,000,000 inhabitants, however, a tax certificate holder  
26 may not pay all or part of an installment of a subsequent

1 tax or special assessment for any year, nor shall any  
2 tender of such a payment be accepted, until after the  
3 second or final installment of the subsequent tax or  
4 special assessment has become delinquent or until after  
5 the holder of the certificate of purchase has filed a  
6 petition for a tax deed under Section 22.30. The person  
7 redeeming shall also pay the amount of interest charged on  
8 the subsequent tax or special assessment and paid as a  
9 penalty by the tax certificate holder. This amendatory Act  
10 of 1995 applies to tax years beginning with the 1995  
11 taxes, payable in 1996, and thereafter.

12 (d) Any amount paid to redeem a forfeiture occurring  
13 before January 1, 2024 but after the tax sale together  
14 with 12% penalty thereon for each year or portion thereof  
15 intervening between the date of the forfeiture redemption  
16 and the date of redemption from the sale.

17 (e) Any amount paid by the certificate holder for  
18 redemption of a subsequently occurring tax sale, including  
19 tax liens or certificates held by the county as trustee,  
20 pursuant to Section 21-90.

21 (f) All fees paid to the county clerk under Section  
22 22-5.

23 (g) All fees paid to the registrar of titles incident  
24 to registering the tax certificate in compliance with the  
25 Registered Titles (Torrens) Act.

26 (h) All fees paid to the circuit clerk and the

1 sheriff, a licensed or registered private detective, or  
2 the coroner in connection with the filing of the petition  
3 for tax deed and service of notices under Sections 22-15  
4 through 22-30 and 22-40 in addition to (1) a fee of \$35 if  
5 a petition for tax deed has been filed, which fee shall be  
6 posted to the tax judgement, sale, redemption, and  
7 forfeiture record, to be paid to the purchaser or his or  
8 her assignee; (2) a fee of \$4 if a notice under Section  
9 22-5 has been filed, which fee shall be posted to the tax  
10 judgment, sale, redemption, and forfeiture record, to be  
11 paid to the purchaser or his or her assignee; (3) all costs  
12 paid to record a lis pendens notice in connection with  
13 filing a petition under this Code; and (4) if a petition  
14 for tax deed has been filed, all fees up to \$150 per  
15 redemption paid to a registered or licensed title  
16 insurance company or title insurance agent for a title  
17 search to identify all owners, parties interested, and  
18 occupants of the property, to be paid to the purchaser or  
19 his or her assignee. The fees in (1) and (2) of this  
20 paragraph (h) shall be exempt from the posting  
21 requirements of Section 21-360. The costs incurred in  
22 causing notices to be served by a licensed or registered  
23 private detective under Section 22-15, may not exceed the  
24 amount that the sheriff would be authorized by law to  
25 charge if those notices had been served by the sheriff.

26 (i) All fees paid for publication of notice of the tax

1 sale in accordance with Section 22-20.

2 (j) All sums paid to any county, city, village or  
3 incorporated town for reimbursement under Section 22-35.

4 (k) All costs and expenses of receivership under  
5 Section 21-410, to the extent that these costs and  
6 expenses exceed any income from the property in question,  
7 if the costs and expenditures have been approved by the  
8 court appointing the receiver and a certified copy of the  
9 order or approval is filed and posted by the certificate  
10 holder with the county clerk. Only actual costs expended  
11 may be posted on the tax judgment, sale, redemption and  
12 forfeiture record.

13 (Source: P.A. 103-555, eff. 1-1-24.)

14 ARTICLE 25.

15 Section 25-5. The Property Tax Code is amended by changing  
16 Section 20-15 as follows:

17 (35 ILCS 200/20-15)

18 Sec. 20-15. Information on bill or separate statement.  
19 There shall be printed on each bill, or on a separate slip  
20 which shall be mailed with the bill:

21 (a) a statement itemizing the rate at which taxes have  
22 been extended for each of the taxing districts in the  
23 county in whose district the property is located, and in

1 those counties utilizing electronic data processing  
2 equipment the dollar amount of tax due from the person  
3 assessed allocable to each of those taxing districts,  
4 including a separate statement of the dollar amount of tax  
5 due which is allocable to a tax levied under the Illinois  
6 Local Library Act or to any other tax levied by a  
7 municipality or township for public library purposes,

8 (b) a separate statement for each of the taxing  
9 districts of the dollar amount of tax due which is  
10 allocable to a tax levied under the Illinois Pension Code  
11 or to any other tax levied by a municipality or township  
12 for public pension or retirement purposes,

13 (b-5) a list of each tax increment financing (TIF)  
14 district in which the property is located and the dollar  
15 amount of tax due that is allocable to the TIF district,

16 (c) the total tax rate,

17 (d) the total amount of tax due, and

18 (e) the amount by which the total tax and the tax  
19 allocable to each taxing district differs from the  
20 taxpayer's last prior tax bill.

21 The county treasurer shall ensure that only those taxing  
22 districts in which a parcel of property is located shall be  
23 listed on the bill for that property.

24 In all counties the statement shall also provide:

25 (1) the property index number or other suitable  
26 description,

- 1 (2) the assessment of the property,
- 2 (3) the statutory amount of each homestead exemption
- 3 applied to the property,
- 4 (4) the assessed value of the property after
- 5 application of all homestead exemptions,
- 6 (5) the equalization factors imposed by the county and
- 7 by the Department, and
- 8 (6) the equalized assessment resulting from the
- 9 application of the equalization factors to the basic
- 10 assessment.

11 In all counties which do not classify property for  
12 purposes of taxation, for property on which a single family  
13 residence is situated the statement shall also include a  
14 statement to reflect the fair cash value determined for the  
15 property. In all counties which classify property for purposes  
16 of taxation in accordance with Section 4 of Article IX of the  
17 Illinois Constitution, for parcels of residential property in  
18 the lowest assessment classification the statement shall also  
19 include a statement to reflect the fair cash value determined  
20 for the property.

21 In all counties, the statement must include information  
22 that certain taxpayers may be eligible for tax exemptions,  
23 abatements, and other assistance programs and that, for more  
24 information, taxpayers should consult with the office of their  
25 township or county assessor and with the ~~Illinois~~ Department  
26 of Revenue. For bills mailed on or after January 1, 2026, the



1 statement must include, in bold face type, a list of  
2 exemptions available to taxpayers and contact information for  
3 the chief county assessment officer.

4 In counties which use the estimated or accelerated billing  
5 methods, these statements shall only be provided with the  
6 final installment of taxes due. The provisions of this Section  
7 create a mandatory statutory duty. They are not merely  
8 directory or discretionary. The failure or neglect of the  
9 collector to mail the bill, or the failure of the taxpayer to  
10 receive the bill, shall not affect the validity of any tax, or  
11 the liability for the payment of any tax.

12 (Source: P.A. 100-621, eff. 7-20-18; 101-134, eff. 7-26-19.)

13 ARTICLE 30.

14 Section 30-5. The Property Tax Code is amended by changing  
15 Section 30-25 as follows:

16 (35 ILCS 200/30-25)

17 Sec. 30-25. Distributions from account.

18 (a) At the direction of the corporate authorities of a  
19 taxing district, the treasurer of the taxing district shall  
20 disburse the amounts held in the tax reimbursement account.  
21 Unless the taxing district has divided the moneys as provided  
22 in subsection (b), disbursements shall be made to all of the  
23 owners of taxable homestead property within the taxing

1 district. Each owner of taxable homestead property shall  
2 receive a proportionate share of the total disbursement based  
3 on the amount of ad valorem taxes on taxable homestead  
4 property paid by the owner to the taxing district under the  
5 most recent tax bill.

6 (b) The corporate authorities of a taxing district may  
7 direct the treasurer to divide the moneys deposited into the  
8 account into 2 separate pools to be designated the homestead  
9 property pool and the commercial or industrial property pool.  
10 The amount to be deposited into each pool shall be determined  
11 by the corporate authorities of the taxing district, except  
12 that at least 50% of the moneys in the account shall be  
13 deposited into the homestead property pool. The treasurer  
14 shall disburse the amounts held in each pool in the tax  
15 reimbursement account at the direction of the corporate  
16 authorities. Disbursements from the homestead property pool  
17 shall be made to all of the owners of taxable homestead  
18 property within the taxing district. Each owner of taxable  
19 homestead property shall receive a proportionate share of the  
20 total disbursement from the pool based on the amount of ad  
21 valorem taxes on taxable homestead property paid by the owner  
22 to the taxing district under the most recent tax bill.  
23 Disbursements from the commercial or industrial property pool  
24 shall be made to all of the owners of taxable commercial or  
25 industrial property, except (i) those owners whose property is  
26 located within a tax increment financing district, (ii) those

1 owners who received a tax incentive as a result of a tax  
2 incentivized development established by an intergovernmental  
3 agreement to which the taxing district is a party, or (iii)  
4 those owners whose property is classified as an apartment  
5 building. Each eligible owner of taxable commercial or  
6 industrial property shall receive a proportionate share of the  
7 total disbursement from the pool based on the amount of ad  
8 valorem taxes on taxable commercial or industrial property  
9 paid by the owner to the taxing district under the most recent  
10 tax bill.

11 (c) In determining the proportionate share of each owner  
12 of homestead property, the numerator shall be the amount of  
13 taxes on homestead property paid by that owner to the taxing  
14 district under the most recent tax bill, and the denominator  
15 shall be the aggregate total of all taxes on homestead  
16 property paid by all owners to the taxing district under the  
17 most recent tax bills.

18 (d) In determining the proportionate share of each owner  
19 of commercial or industrial property, the numerator shall be  
20 the amount of taxes on commercial or industrial property paid  
21 by that owner to the taxing district under the most recent tax  
22 bill, and the denominator shall be the aggregate total of all  
23 taxes on commercial or industrial property paid by all owners  
24 to the taxing district under the most recent tax bills less  
25 taxes paid on commercial or industrial property located in a  
26 tax increment financing district, taxes paid on commercial or

1 industrial property for which the owner received a tax  
2 incentive as a result of a tax incentivized development  
3 established by an intergovernmental agreement to which the  
4 taxing district is a party, and taxes paid on an apartment  
5 building.

6 (e) As used in this Section:

7 "Qualified redevelopment costs" means costs advanced by a  
8 taxing district to a commercial or industrial property owner  
9 to promote economic development when, but for the advancement  
10 of the funds, the development would not be financially  
11 feasible.

12 "Tax incentivized development" means an economic  
13 development project established by intergovernmental agreement  
14 whereby a taxing district advances qualified redevelopment  
15 costs to a commercial or industrial property owner.

16 (Source: P.A. 90-471, eff. 8-17-97.)

17 ARTICLE 35.

18 Section 35-5. The Property Tax Code is amended by changing  
19 Sections 18-15 and 18-190 and by adding Section 18-17 as  
20 follows:

21 (35 ILCS 200/18-15)

22 Sec. 18-15. Filing of levies of taxing districts.

23 (a) Notwithstanding any other law to the contrary, all

1 taxing districts, other than a school district subject to the  
2 authority of a Financial Oversight Panel pursuant to Article  
3 1H of the School Code, and except as provided in Section 18-17,  
4 shall annually certify to the county clerk, on or before the  
5 last Tuesday in December, the several amounts that they have  
6 levied.

7 (a-5) Certification to the county clerk under subsection  
8 (a), including any supplemental or supportive documentation,  
9 may be submitted electronically.

10 (b) A school district subject to the authority of a  
11 Financial Oversight Panel pursuant to Article 1H of the School  
12 Code shall file a certificate of tax levy, necessary to effect  
13 the implementation of the approved financial plan and the  
14 approval of the Panel, as otherwise provided by this Section,  
15 except that the certificate must be certified to the county  
16 clerk on or before the first Tuesday in November.

17 (c) If a school district as specified in subsection (b) of  
18 this Section fails to certify and return the certificate of  
19 tax levy, necessary to effect the implementation of the  
20 approved financial plan and the approval of the Financial  
21 Oversight Panel, to the county clerk on or before the first  
22 Tuesday in November, then the Financial Oversight Panel for  
23 the school district shall proceed to adopt, certify, and  
24 return a certificate of tax levy for the school district to the  
25 county clerk on or before the last Tuesday in December.

26 (Source: P.A. 102-625, eff. 1-1-22.)

1 (35 ILCS 200/18-17 new)

2 Sec. 18-17. Supplemental levy for LaMoille Community Unit  
3 School District #303. Notwithstanding any other provision of  
4 law, LaMoille Community Unit School District #303 may, by  
5 ordinance adopted on or before June 30, 2024, amend or  
6 supplement its levy for the 2023 tax year for taxes scheduled  
7 to be collected in calendar year 2024. The District shall  
8 certify the amount of the amended or supplemental levy to the  
9 county clerk as soon as possible after the amended or  
10 supplemental levy is adopted, and the county clerk shall  
11 include those amounts in the extension of taxes for the 2023  
12 tax year. In no event shall the amended or supplemental levy  
13 adopted under this Section cause the District's property tax  
14 rate for the 2023 tax year to exceed the District's limiting  
15 rate under the Property Tax Extension Limitation Law or any  
16 other limitation on the extension of property taxes applicable  
17 to the District. This Section is repealed on January 1, 2025.

18 (35 ILCS 200/18-190)

19 Sec. 18-190. Direct referendum; new rate or increased  
20 limiting rate.

21 (a) If a new rate is authorized by statute to be imposed  
22 without referendum or is subject to a backdoor referendum, as  
23 defined in Section 28-2 of the Election Code, the governing  
24 body of the affected taxing district before levying the new

1 rate shall submit the new rate to direct referendum under the  
2 provisions of this Section and of Article 28 of the Election  
3 Code. Notwithstanding any other provision of law, the levies  
4 authorized by Sections 21-110 and 21-110.1 of the Illinois  
5 Pension Code shall not be considered new rates; however,  
6 nothing in this amendatory Act of the 98th General Assembly  
7 authorizes a taxing district to increase its limiting rate or  
8 its aggregate extension without first obtaining referendum  
9 approval as provided in this Section. Notwithstanding any  
10 other provision of law, the levy authorized by Section 18-17  
11 is considered part of the annual corporate extension for the  
12 taxing district and is not considered a new rate.

13 Notwithstanding the provisions, requirements, or limitations  
14 of any other law, any tax levied for the 2005 levy year and all  
15 subsequent levy years by any taxing district subject to this  
16 Law may be extended at a rate exceeding the rate established  
17 for that tax by referendum or statute, provided that the rate  
18 does not exceed the statutory ceiling above which the tax is  
19 not authorized to be further increased either by referendum or  
20 in any other manner. Notwithstanding the provisions,  
21 requirements, or limitations of any other law, all taxing  
22 districts subject to this Law shall follow the provisions of  
23 this Section whenever seeking referenda approval after March  
24 21, 2006 to (i) levy a new tax rate authorized by statute or  
25 (ii) increase the limiting rate applicable to the taxing  
26 district. All taxing districts subject to this Law are

1 authorized to seek referendum approval of each proposition  
2 described and set forth in this Section.

3 The proposition seeking to obtain referendum approval to  
4 levy a new tax rate as authorized in clause (i) shall be in  
5 substantially the following form:

6 Shall ... (insert legal name, number, if any, and  
7 county or counties of taxing district and geographic or  
8 other common name by which a school or community college  
9 district is known and referred to), Illinois, be  
10 authorized to levy a new tax for ... purposes and have an  
11 additional tax of ...% of the equalized assessed value of  
12 the taxable property therein extended for such purposes?

13 The votes must be recorded as "Yes" or "No".

14 The proposition seeking to obtain referendum approval to  
15 increase the limiting rate as authorized in clause (ii) shall  
16 be in substantially the following form:

17 Shall the limiting rate under the Property Tax  
18 Extension Limitation Law for ... (insert legal name,  
19 number, if any, and county or counties of taxing district  
20 and geographic or other common name by which a school or  
21 community college district is known and referred to),  
22 Illinois, be increased by an additional amount equal to  
23 ...% above the limiting rate for the purpose of...(insert  
24 purpose) for levy year ... (insert the most recent levy  
25 year for which the limiting rate of the taxing district is  
26 known at the time the submission of the proposition is



1 initiated by the taxing district) and be equal to ...% of  
2 the equalized assessed value of the taxable property  
3 therein for levy year(s) (insert each levy year for which  
4 the increase will be applicable, which years must be  
5 consecutive and may not exceed 4)?

6 The votes must be recorded as "Yes" or "No".

7 The ballot for any proposition submitted pursuant to this  
8 Section shall have printed thereon, but not as a part of the  
9 proposition submitted, only the following supplemental  
10 information (which shall be supplied to the election authority  
11 by the taxing district) in substantially the following form:

12 (1) The approximate amount of taxes extendable at the  
13 most recently extended limiting rate is \$..., and the  
14 approximate amount of taxes extendable if the proposition  
15 is approved is \$....

16 (2) For the ... (insert the first levy year for which  
17 the new rate or increased limiting rate will be  
18 applicable) levy year the approximate amount of the  
19 additional tax extendable against property containing a  
20 single family residence and having a fair market value at  
21 the time of the referendum of \$100,000 is estimated to be  
22 \$....

23 (3) Based upon an average annual percentage increase  
24 (or decrease) in the market value of such property of %...  
25 (insert percentage equal to the average annual percentage  
26 increase or decrease for the prior 3 levy years, at the

1 time the submission of the proposition is initiated by the  
2 taxing district, in the amount of (A) the equalized  
3 assessed value of the taxable property in the taxing  
4 district less (B) the new property included in the  
5 equalized assessed value), the approximate amount of the  
6 additional tax extendable against such property for the  
7 ... levy year is estimated to be \$... and for the ... levy  
8 year is estimated to be \$ ....

9 (4) If the proposition is approved, the aggregate  
10 extension for ... (insert each levy year for which the  
11 increase will apply) will be determined by the limiting  
12 rate set forth in the proposition, rather than the  
13 otherwise applicable limiting rate calculated under the  
14 provisions of the Property Tax Extension Limitation Law  
15 (commonly known as the Property Tax Cap Law).

16 The approximate amount of taxes extendable shown in paragraph  
17 (1) shall be computed upon the last known equalized assessed  
18 value of taxable property in the taxing district (at the time  
19 the submission of the proposition is initiated by the taxing  
20 district). Paragraph (3) shall be included only if the  
21 increased limiting rate will be applicable for more than one  
22 levy year and shall list each levy year for which the increased  
23 limiting rate will be applicable. The additional tax shown for  
24 each levy year shall be the approximate dollar amount of the  
25 increase over the amount of the most recently completed  
26 extension at the time the submission of the proposition is

1 initiated by the taxing district. The approximate amount of  
2 the additional taxes extendable shown in paragraphs (2) and  
3 (3) shall be calculated by multiplying \$100,000 (the fair  
4 market value of the property without regard to any property  
5 tax exemptions) by (i) the percentage level of assessment  
6 prescribed for that property by statute, or by ordinance of  
7 the county board in counties that classify property for  
8 purposes of taxation in accordance with Section 4 of Article  
9 IX of the Illinois Constitution; (ii) the most recent final  
10 equalization factor certified to the county clerk by the  
11 Department of Revenue at the time the taxing district  
12 initiates the submission of the proposition to the electors;  
13 and (iii) either the new rate or the amount by which the  
14 limiting rate is to be increased. This amendatory Act of the  
15 97th General Assembly is intended to clarify the existing  
16 requirements of this Section, and shall not be construed to  
17 validate any prior non-compliant referendum language.  
18 Paragraph (4) shall be included if the proposition concerns a  
19 limiting rate increase but shall not be included if the  
20 proposition concerns a new rate. Any notice required to be  
21 published in connection with the submission of the proposition  
22 shall also contain this supplemental information and shall not  
23 contain any other supplemental information regarding the  
24 proposition. Any error, miscalculation, or inaccuracy in  
25 computing any amount set forth on the ballot and in the notice  
26 that is not deliberate shall not invalidate or affect the

1 validity of any proposition approved. Notice of the referendum  
2 shall be published and posted as otherwise required by law,  
3 and the submission of the proposition shall be initiated as  
4 provided by law.

5 If a majority of all ballots cast on the proposition are in  
6 favor of the proposition, the following provisions shall be  
7 applicable to the extension of taxes for the taxing district:

8 (A) a new tax rate shall be first effective for the  
9 levy year in which the new rate is approved;

10 (B) if the proposition provides for a new tax rate,  
11 the taxing district is authorized to levy a tax after the  
12 canvass of the results of the referendum by the election  
13 authority for the purposes for which the tax is  
14 authorized;

15 (C) a limiting rate increase shall be first effective  
16 for the levy year in which the limiting rate increase is  
17 approved, provided that the taxing district may elect to  
18 have a limiting rate increase be effective for the levy  
19 year prior to the levy year in which the limiting rate  
20 increase is approved unless the extension of taxes for the  
21 prior levy year occurs 30 days or less after the canvass of  
22 the results of the referendum by the election authority in  
23 any county in which the taxing district is located;

24 (D) in order for the limiting rate increase to be  
25 first effective for the levy year prior to the levy year of  
26 the referendum, the taxing district must certify its

1 election to have the limiting rate increase be effective  
2 for the prior levy year to the clerk of each county in  
3 which the taxing district is located not more than 2 days  
4 after the date the results of the referendum are canvassed  
5 by the election authority; and

6 (E) if the proposition provides for a limiting rate  
7 increase, the increase may be effective regardless of  
8 whether the proposition is approved before or after the  
9 taxing district adopts or files its levy for any levy  
10 year.

11 Rates required to extend taxes on levies subject to a  
12 backdoor referendum in each year there is a levy are not new  
13 rates or rate increases under this Section if a levy has been  
14 made for the fund in one or more of the preceding 3 levy years.  
15 Changes made by this amendatory Act of 1997 to this Section in  
16 reference to rates required to extend taxes on levies subject  
17 to a backdoor referendum in each year there is a levy are  
18 declarative of existing law and not a new enactment.

19 (b) Whenever other applicable law authorizes a taxing  
20 district subject to the limitation with respect to its  
21 aggregate extension provided for in this Law to issue bonds or  
22 other obligations either without referendum or subject to  
23 backdoor referendum, the taxing district may elect for each  
24 separate bond issuance to submit the question of the issuance  
25 of the bonds or obligations directly to the voters of the  
26 taxing district, and if the referendum passes the taxing

1 district is not required to comply with any backdoor  
2 referendum procedures or requirements set forth in the other  
3 applicable law. The direct referendum shall be initiated by  
4 ordinance or resolution of the governing body of the taxing  
5 district, and the question shall be certified to the proper  
6 election authorities in accordance with the provisions of the  
7 Election Code.

8 (Source: P.A. 97-1087, eff. 8-24-12; 98-1088, eff. 8-26-14.)

9 Section 35-10. The School Code is amended by changing  
10 Section 17-3.2 as follows:

11 (105 ILCS 5/17-3.2) (from Ch. 122, par. 17-3.2)

12 Sec. 17-3.2. Additional or supplemental budget.

13 (a) Whenever the voters of a school district have voted in  
14 favor of an increase in the annual tax rate for educational or  
15 operations and maintenance purposes or both at an election  
16 held after the adoption of the annual school budget for any  
17 fiscal year, the board may adopt or pass during that fiscal  
18 year an additional or supplemental budget under the sole  
19 authority of this Section by a vote of a majority of the full  
20 membership of the board, any other provision of this Article  
21 to the contrary notwithstanding, in and by which such  
22 additional or supplemental budget the board shall appropriate  
23 such additional sums of money as it may find necessary to  
24 defray expenses and liabilities of that district to be

1 incurred for educational or operations and maintenance  
2 purposes or both of the district during that fiscal year, but  
3 not in excess of the additional funds estimated to be  
4 available by virtue of such voted increase in the annual tax  
5 rate for educational or operations and maintenance purposes or  
6 both. Such additional or supplemental budget shall be regarded  
7 as an amendment of the annual school budget for the fiscal year  
8 in which it is adopted, and the board may levy the additional  
9 tax for educational or operations and maintenance purposes or  
10 both to equal the amount of the additional sums of money  
11 appropriated in that additional or supplemental budget,  
12 immediately.

13 (b) Notwithstanding any other provision of law, LaMoille  
14 Community Unit School District #303 may adopt an additional or  
15 supplemental budget in connection with an amended or  
16 supplemental levy adopted under Section 18-17 of the Property  
17 Tax Code without receiving the approval of the voters as  
18 provided in subsection (a). This subsection (b) is inoperative  
19 on and after January 1, 2025.

20 (Source: P.A. 86-1334.)

21 ARTICLE 40.

22 Section 40-1. Short title. This Act may be cited as the  
23 Local Journalism Sustainability Act. References in this  
24 Article to "this Act" mean this Article.

1 Section 40-5. Definitions.

2 "Award cycle" means the 4 reporting periods for which the  
3 employer is awarded a credit under Section 40-10.

4 "Comparable rate" has the meaning given to that term by  
5 the Federal Communications Commission in its campaign  
6 advertising rate rules.

7 "Department" means the Department of Commerce and Economic  
8 Opportunity.

9 "Independently owned" means, as applied to a local news  
10 organization, that:

11 (1) the local news organization is not a publicly  
12 traded entity and no more than 5% of the beneficial  
13 ownership of the local news organization is owned,  
14 directly or indirectly, by a publicly traded entity; and

15 (2) the local news organization is not a subsidiary.

16 "Local news organization" means an entity that:

17 (1) engages professionals to create, edit, produce,  
18 and distribute original content concerning matters of  
19 public interest through reporting activities, including  
20 conducting interviews, observing current events, or  
21 analyzing documents or other information;

22 (2) has at least one employee who meets all of the  
23 following criteria:

24 (A) the employee is employed by the entity on a  
25 full-time basis for at least 30 hours a week;



1 (B) the employee's job duties for the entity  
2 consist primarily of providing coverage of Illinois or  
3 local Illinois community news as described in  
4 paragraph (C);

5 (C) the employee gathers, prepares, collects,  
6 photographs, writes, edits, reports, or publishes  
7 original local or State community news for  
8 dissemination to the local or State community; and

9 (D) the employee lives within 50 miles of the  
10 coverage area;

11 (3) in the case of a print publication, has published  
12 at least one print publication per month over the previous  
13 12 months and either (i) holds a valid United States  
14 Postal Service periodical permit or (ii) has at least 25%  
15 of its content dedicated to local news;

16 (4) in the case of a digital-only entity, has  
17 published one piece about the community per week over the  
18 previous 12 months and has at least 33% of its digital  
19 audience in Illinois, averaged over a 12-month period;

20 (5) in the case of a hybrid entity that has both print  
21 and digital outlets, meets the requirements in either  
22 paragraph (3) or (4) of this definition;

23 (6) has disclosed in its print publication or on its  
24 website its beneficial ownership or, in the case of a  
25 not-for-profit entity, its board of directors;

26 (7) in the case of an entity that maintains tax status

1 under Section 501(c)(3) of the federal Internal Revenue  
2 Code, has declared the coverage of local or State news as  
3 the stated mission in its filings with the Internal  
4 Revenue Service;

5 (8) has not received any payments of more than 50% of  
6 its gross receipts for the previous year from political  
7 action committees or other entities described in Section  
8 527 of the federal Internal Revenue Code or from an  
9 organization that maintains Section 501(c)(4) or 501(c)(6)  
10 status under the federal Internal Revenue Code, unless  
11 those payments are for political advertising during the  
12 lowest unit windows and using comparable rates; and

13 (9) has not received more than 30% of its revenue from  
14 the previous taxable year from political advertisements  
15 during lowest unit windows.

16 "Local news organization" does not include an organization  
17 that received more than \$100,000 from organizations described  
18 in paragraph (8) during the taxable year or any preceding  
19 taxable year.

20 "Lowest unit window" has the meaning given to that term by  
21 the Federal Communications Commission in its campaign  
22 advertising rate rules.

23 "New journalism position" means an employment position  
24 that results in a net increase in qualified journalists  
25 employed by the local news organization from January 1 of the  
26 preceding calendar year compared to January 1 of the calendar

1 year in which a credit under this Act is sought.

2 "Private fund" means a corporation that:

3 (1) would be considered an investment company under  
4 Section 3 of the Investment Company Act of 1940, 15 U.S.C.  
5 80a-3, but for the application of paragraph (1) or (7) of  
6 subsection (c) of that Section;

7 (2) is not a venture capital fund, as defined in  
8 Section 275.203(1)-1 of Title 17 of the Code of Federal  
9 Regulations, as in effect on the effective date of this  
10 Act; and

11 (3) is not an institution selected under Section 107  
12 of the federal Community Development Banking and Financial  
13 Institutions Act of 1994.

14 "Qualified journalist" means a person who:

15 (1) is employed for an average of at least 30 hours per  
16 week; and

17 (2) is responsible for gathering, developing,  
18 preparing, directing the recording of, producing,  
19 collecting, photographing, recording, writing, editing,  
20 reporting, designing, presenting, distributing, or  
21 publishing original news or information that concerns  
22 local matters of public interest.

23 "Reporting period" means the quarter for which a return is  
24 required to be filed under Article 7 of the Illinois Income Tax  
25 Act.

1 Section 40-10. Credit award. For reporting periods that  
2 begin on or after January 1, 2025 and before January 1, 2030,  
3 employers, including employers that maintain tax status under  
4 Section 501(c)(3) of the federal Internal Revenue Code, that  
5 are local news organizations and that are required to deduct  
6 and withhold taxes as provided in Article 7 of the Illinois  
7 Income Tax Act are eligible to receive a credit against  
8 payments due under Section 704A of the Illinois Income Tax  
9 Act. The credit shall be \$15,000 per qualified journalist  
10 employed and paid by the employer during the 12-month period  
11 immediately preceding the date on which the employer applies  
12 for a credit under this Section. An additional credit of  
13 \$10,000 shall be awarded against payments due under Section  
14 704A of the Illinois Income Tax Act for each qualified  
15 journalist who fills a new journalism position for the  
16 employer during the 12-month period immediately preceding the  
17 date on which the employer applies for a credit under this  
18 Section. No more than \$150,000 in credits under this Act may be  
19 awarded to any one local news organization in a single  
20 calendar year. If the local news organization is not  
21 independently owned or lists a private fund among its  
22 beneficial ownership, no more than \$250,000 in credits may be  
23 awarded in a single calendar year to all local news  
24 organizations that share the same ownership interest. The  
25 total amount of credits that may be awarded under this Act in  
26 any given calendar year may not exceed \$5,000,000, of which no

1 more than \$4,000,000 may be awarded for the \$15,000 credit  
2 that applies to qualified journalists, and no more than  
3 \$1,000,000 may be awarded for the additional \$10,000 credit  
4 that is awarded for new journalism positions. Credits under  
5 this Section shall be awarded by the Department on a  
6 first-come, first-served basis.

7 The Department shall issue a credit certificate to each  
8 eligible local news organization. Upon issuance of the credit  
9 certificate, the Department shall inform the Department of  
10 Revenue, in the form and manner as agreed between the  
11 agencies, of the date the credit certificate was issued, the  
12 name and tax identification number of the recipient, the  
13 amount of the credit, and such other information as the  
14 Department of Revenue may require. The credit certificate  
15 shall be attached to the taxpayer's return.

16 The credit shall be applied to the first reporting period  
17 after the credit certificate is issued and that begins on or  
18 after January 1, 2025. If the amount of credit exceeds the  
19 liability for the reporting period, the excess credit shall be  
20 refunded to the taxpayer.

21 Section 40-15. Application for local journalism  
22 certificate.

23 (a) In order to qualify for a tax credit award under this  
24 Act, an applicant must apply with the Department, in the form  
25 and manner required by the Department, for each award cycle

1 for which a credit under this Act is sought, providing  
2 information necessary to calculate the tax credit award and  
3 any additional information as reasonably required by the  
4 Department. A separate application shall be filed for each  
5 local news organization. The tax credit award shall be  
6 calculated based upon the filing by the applicant on forms  
7 prescribed by the Department. The Department shall cooperate  
8 with the Department of Revenue as needed in order to determine  
9 credit amount and eligibility.

10 (b) Upon satisfactory review of the application, the  
11 Department shall issue a local journalism certificate stating  
12 the amount of the tax credit award to which the applicant is  
13 entitled for the credit period and shall contemporaneously  
14 notify the applicant and Department of Revenue upon issuance  
15 of the certificate.

16 Section 40-20. Powers of the Department. The Department  
17 and the Department of Revenue may, in consultation, adopt any  
18 rules necessary to administer the provisions of this Act.

19 Section 40-25. Program terms and conditions. Any  
20 documentary materials or data made available or received from  
21 an applicant by any agent or employee of the Department are  
22 confidential and are not public records to the extent that the  
23 materials or data consist of commercial or financial  
24 information regarding the operation of, or the production of,

1 the applicant or recipient of any tax credit award under this  
2 Act.

3 Section 40-900. The Illinois Income Tax Act is amended by  
4 changing Section 704A as follows:

5 (35 ILCS 5/704A)

6 Sec. 704A. Employer's return and payment of tax withheld.

7 (a) In general, every employer who deducts and withholds  
8 or is required to deduct and withhold tax under this Act on or  
9 after January 1, 2008 shall make those payments and returns as  
10 provided in this Section.

11 (b) Returns. Every employer shall, in the form and manner  
12 required by the Department, make returns with respect to taxes  
13 withheld or required to be withheld under this Article 7 for  
14 each quarter beginning on or after January 1, 2008, on or  
15 before the last day of the first month following the close of  
16 that quarter.

17 (c) Payments. With respect to amounts withheld or required  
18 to be withheld on or after January 1, 2008:

19 (1) Semi-weekly payments. For each calendar year, each  
20 employer who withheld or was required to withhold more  
21 than \$12,000 during the one-year period ending on June 30  
22 of the immediately preceding calendar year, payment must  
23 be made:

24 (A) on or before each Friday of the calendar year,

1           for taxes withheld or required to be withheld on the  
2           immediately preceding Saturday, Sunday, Monday, or  
3           Tuesday;

4           (B) on or before each Wednesday of the calendar  
5           year, for taxes withheld or required to be withheld on  
6           the immediately preceding Wednesday, Thursday, or  
7           Friday.

8           Beginning with calendar year 2011, payments made under  
9           this paragraph (1) of subsection (c) must be made by  
10          electronic funds transfer.

11          (2) Semi-weekly payments. Any employer who withholds  
12          or is required to withhold more than \$12,000 in any  
13          quarter of a calendar year is required to make payments on  
14          the dates set forth under item (1) of this subsection (c)  
15          for each remaining quarter of that calendar year and for  
16          the subsequent calendar year.

17          (3) Monthly payments. Each employer, other than an  
18          employer described in items (1) or (2) of this subsection,  
19          shall pay to the Department, on or before the 15th day of  
20          each month the taxes withheld or required to be withheld  
21          during the immediately preceding month.

22          (4) Payments with returns. Each employer shall pay to  
23          the Department, on or before the due date for each return  
24          required to be filed under this Section, any tax withheld  
25          or required to be withheld during the period for which the  
26          return is due and not previously paid to the Department.



1 (d) Regulatory authority. The Department may, by rule:

2 (1) Permit employers, in lieu of the requirements of  
3 subsections (b) and (c), to file annual returns due on or  
4 before January 31 of the year for taxes withheld or  
5 required to be withheld during the previous calendar year  
6 and, if the aggregate amounts required to be withheld by  
7 the employer under this Article 7 (other than amounts  
8 required to be withheld under Section 709.5) do not exceed  
9 \$1,000 for the previous calendar year, to pay the taxes  
10 required to be shown on each such return no later than the  
11 due date for such return.

12 (2) Provide that any payment required to be made under  
13 subsection (c)(1) or (c)(2) is deemed to be timely to the  
14 extent paid by electronic funds transfer on or before the  
15 due date for deposit of federal income taxes withheld  
16 from, or federal employment taxes due with respect to, the  
17 wages from which the Illinois taxes were withheld.

18 (3) Designate one or more depositories to which  
19 payment of taxes required to be withheld under this  
20 Article 7 must be paid by some or all employers.

21 (4) Increase the threshold dollar amounts at which  
22 employers are required to make semi-weekly payments under  
23 subsection (c)(1) or (c)(2).

24 (e) Annual return and payment. Every employer who deducts  
25 and withholds or is required to deduct and withhold tax from a  
26 person engaged in domestic service employment, as that term is

1 defined in Section 3510 of the Internal Revenue Code, may  
2 comply with the requirements of this Section with respect to  
3 such employees by filing an annual return and paying the taxes  
4 required to be deducted and withheld on or before the 15th day  
5 of the fourth month following the close of the employer's  
6 taxable year. The Department may allow the employer's return  
7 to be submitted with the employer's individual income tax  
8 return or to be submitted with a return due from the employer  
9 under Section 1400.2 of the Unemployment Insurance Act.

10 (f) Magnetic media and electronic filing. With respect to  
11 taxes withheld in calendar years prior to 2017, any W-2 Form  
12 that, under the Internal Revenue Code and regulations  
13 promulgated thereunder, is required to be submitted to the  
14 Internal Revenue Service on magnetic media or electronically  
15 must also be submitted to the Department on magnetic media or  
16 electronically for Illinois purposes, if required by the  
17 Department.

18 With respect to taxes withheld in 2017 and subsequent  
19 calendar years, the Department may, by rule, require that any  
20 return (including any amended return) under this Section and  
21 any W-2 Form that is required to be submitted to the Department  
22 must be submitted on magnetic media or electronically.

23 The due date for submitting W-2 Forms shall be as  
24 prescribed by the Department by rule.

25 (g) For amounts deducted or withheld after December 31,  
26 2009, a taxpayer who makes an election under subsection (f) of

1 Section 5-15 of the Economic Development for a Growing Economy  
2 Tax Credit Act for a taxable year shall be allowed a credit  
3 against payments due under this Section for amounts withheld  
4 during the first calendar year beginning after the end of that  
5 taxable year equal to the amount of the credit for the  
6 incremental income tax attributable to full-time employees of  
7 the taxpayer awarded to the taxpayer by the Department of  
8 Commerce and Economic Opportunity under the Economic  
9 Development for a Growing Economy Tax Credit Act for the  
10 taxable year and credits not previously claimed and allowed to  
11 be carried forward under Section 211(4) of this Act as  
12 provided in subsection (f) of Section 5-15 of the Economic  
13 Development for a Growing Economy Tax Credit Act. The credit  
14 or credits may not reduce the taxpayer's obligation for any  
15 payment due under this Section to less than zero. If the amount  
16 of the credit or credits exceeds the total payments due under  
17 this Section with respect to amounts withheld during the  
18 calendar year, the excess may be carried forward and applied  
19 against the taxpayer's liability under this Section in the  
20 succeeding calendar years as allowed to be carried forward  
21 under paragraph (4) of Section 211 of this Act. The credit or  
22 credits shall be applied to the earliest year for which there  
23 is a tax liability. If there are credits from more than one  
24 taxable year that are available to offset a liability, the  
25 earlier credit shall be applied first. Each employer who  
26 deducts and withholds or is required to deduct and withhold

1 tax under this Act and who retains income tax withholdings  
2 under subsection (f) of Section 5-15 of the Economic  
3 Development for a Growing Economy Tax Credit Act must make a  
4 return with respect to such taxes and retained amounts in the  
5 form and manner that the Department, by rule, requires and pay  
6 to the Department or to a depository designated by the  
7 Department those withheld taxes not retained by the taxpayer.  
8 For purposes of this subsection (g), the term taxpayer shall  
9 include taxpayer and members of the taxpayer's unitary  
10 business group as defined under paragraph (27) of subsection  
11 (a) of Section 1501 of this Act. This Section is exempt from  
12 the provisions of Section 250 of this Act. No credit awarded  
13 under the Economic Development for a Growing Economy Tax  
14 Credit Act for agreements entered into on or after January 1,  
15 2015 may be credited against payments due under this Section.

16 (g-1) For amounts deducted or withheld after December 31,  
17 2024, a taxpayer who makes an election under the Reimagining  
18 Energy and Vehicles in Illinois Act shall be allowed a credit  
19 against payments due under this Section for amounts withheld  
20 during the first quarterly reporting period beginning after  
21 the certificate is issued equal to the portion of the REV  
22 Illinois Credit attributable to the incremental income tax  
23 attributable to new employees and retained employees as  
24 certified by the Department of Commerce and Economic  
25 Opportunity pursuant to an agreement with the taxpayer under  
26 the Reimagining Energy and Vehicles in Illinois Act for the

1 taxable year. The credit or credits may not reduce the  
2 taxpayer's obligation for any payment due under this Section  
3 to less than zero. If the amount of the credit or credits  
4 exceeds the total payments due under this Section with respect  
5 to amounts withheld during the quarterly reporting period, the  
6 excess may be carried forward and applied against the  
7 taxpayer's liability under this Section in the succeeding  
8 quarterly reporting period as allowed to be carried forward  
9 under paragraph (4) of Section 211 of this Act. The credit or  
10 credits shall be applied to the earliest quarterly reporting  
11 period for which there is a tax liability. If there are credits  
12 from more than one quarterly reporting period that are  
13 available to offset a liability, the earlier credit shall be  
14 applied first. Each employer who deducts and withholds or is  
15 required to deduct and withhold tax under this Act and who  
16 retains income tax withholdings this subsection must make a  
17 return with respect to such taxes and retained amounts in the  
18 form and manner that the Department, by rule, requires and pay  
19 to the Department or to a depository designated by the  
20 Department those withheld taxes not retained by the taxpayer.  
21 For purposes of this subsection (g-1), the term taxpayer shall  
22 include taxpayer and members of the taxpayer's unitary  
23 business group as defined under paragraph (27) of subsection  
24 (a) of Section 1501 of this Act. This Section is exempt from  
25 the provisions of Section 250 of this Act.

26 (g-2) For amounts deducted or withheld after December 31,

1 2024, a taxpayer who makes an election under the Manufacturing  
2 Illinois Chips for Real Opportunity (MICRO) Act shall be  
3 allowed a credit against payments due under this Section for  
4 amounts withheld during the first quarterly reporting period  
5 beginning after the certificate is issued equal to the portion  
6 of the MICRO Illinois Credit attributable to the incremental  
7 income tax attributable to new employees and retained  
8 employees as certified by the Department of Commerce and  
9 Economic Opportunity pursuant to an agreement with the  
10 taxpayer under the Manufacturing Illinois Chips for Real  
11 Opportunity (MICRO) Act for the taxable year. The credit or  
12 credits may not reduce the taxpayer's obligation for any  
13 payment due under this Section to less than zero. If the amount  
14 of the credit or credits exceeds the total payments due under  
15 this Section with respect to amounts withheld during the  
16 quarterly reporting period, the excess may be carried forward  
17 and applied against the taxpayer's liability under this  
18 Section in the succeeding quarterly reporting period as  
19 allowed to be carried forward under paragraph (4) of Section  
20 211 of this Act. The credit or credits shall be applied to the  
21 earliest quarterly reporting period for which there is a tax  
22 liability. If there are credits from more than one quarterly  
23 reporting period that are available to offset a liability, the  
24 earlier credit shall be applied first. Each employer who  
25 deducts and withholds or is required to deduct and withhold  
26 tax under this Act and who retains income tax withholdings

1 this subsection must make a return with respect to such taxes  
2 and retained amounts in the form and manner that the  
3 Department, by rule, requires and pay to the Department or to a  
4 depository designated by the Department those withheld taxes  
5 not retained by the taxpayer. For purposes of this subsection,  
6 the term taxpayer shall include taxpayer and members of the  
7 taxpayer's unitary business group as defined under paragraph  
8 (27) of subsection (a) of Section 1501 of this Act. This  
9 Section is exempt from the provisions of Section 250 of this  
10 Act.

11 (h) An employer may claim a credit against payments due  
12 under this Section for amounts withheld during the first  
13 calendar year ending after the date on which a tax credit  
14 certificate was issued under Section 35 of the Small Business  
15 Job Creation Tax Credit Act. The credit shall be equal to the  
16 amount shown on the certificate, but may not reduce the  
17 taxpayer's obligation for any payment due under this Section  
18 to less than zero. If the amount of the credit exceeds the  
19 total payments due under this Section with respect to amounts  
20 withheld during the calendar year, the excess may be carried  
21 forward and applied against the taxpayer's liability under  
22 this Section in the 5 succeeding calendar years. The credit  
23 shall be applied to the earliest year for which there is a tax  
24 liability. If there are credits from more than one calendar  
25 year that are available to offset a liability, the earlier  
26 credit shall be applied first. This Section is exempt from the

1 provisions of Section 250 of this Act.

2 (i) Each employer with 50 or fewer full-time equivalent  
3 employees during the reporting period may claim a credit  
4 against the payments due under this Section for each qualified  
5 employee in an amount equal to the maximum credit allowable.  
6 The credit may be taken against payments due for reporting  
7 periods that begin on or after January 1, 2020, and end on or  
8 before December 31, 2027. An employer may not claim a credit  
9 for an employee who has worked fewer than 90 consecutive days  
10 immediately preceding the reporting period; however, such  
11 credits may accrue during that 90-day period and be claimed  
12 against payments under this Section for future reporting  
13 periods after the employee has worked for the employer at  
14 least 90 consecutive days. In no event may the credit exceed  
15 the employer's liability for the reporting period. Each  
16 employer who deducts and withholds or is required to deduct  
17 and withhold tax under this Act and who retains income tax  
18 withholdings under this subsection must make a return with  
19 respect to such taxes and retained amounts in the form and  
20 manner that the Department, by rule, requires and pay to the  
21 Department or to a depository designated by the Department  
22 those withheld taxes not retained by the employer.

23 For each reporting period, the employer may not claim a  
24 credit or credits for more employees than the number of  
25 employees making less than the minimum or reduced wage for the  
26 current calendar year during the last reporting period of the



1 preceding calendar year. Notwithstanding any other provision  
2 of this subsection, an employer shall not be eligible for  
3 credits for a reporting period unless the average wage paid by  
4 the employer per employee for all employees making less than  
5 \$55,000 during the reporting period is greater than the  
6 average wage paid by the employer per employee for all  
7 employees making less than \$55,000 during the same reporting  
8 period of the prior calendar year.

9 For purposes of this subsection (i):

10 "Compensation paid in Illinois" has the meaning ascribed  
11 to that term under Section 304(a)(2)(B) of this Act.

12 "Employer" and "employee" have the meaning ascribed to  
13 those terms in the Minimum Wage Law, except that "employee"  
14 also includes employees who work for an employer with fewer  
15 than 4 employees. Employers that operate more than one  
16 establishment pursuant to a franchise agreement or that  
17 constitute members of a unitary business group shall aggregate  
18 their employees for purposes of determining eligibility for  
19 the credit.

20 "Full-time equivalent employees" means the ratio of the  
21 number of paid hours during the reporting period and the  
22 number of working hours in that period.

23 "Maximum credit" means the percentage listed below of the  
24 difference between the amount of compensation paid in Illinois  
25 to employees who are paid not more than the required minimum  
26 wage reduced by the amount of compensation paid in Illinois to

1 employees who were paid less than the current required minimum  
2 wage during the reporting period prior to each increase in the  
3 required minimum wage on January 1. If an employer pays an  
4 employee more than the required minimum wage and that employee  
5 previously earned less than the required minimum wage, the  
6 employer may include the portion that does not exceed the  
7 required minimum wage as compensation paid in Illinois to  
8 employees who are paid not more than the required minimum  
9 wage.

10 (1) 25% for reporting periods beginning on or after  
11 January 1, 2020 and ending on or before December 31, 2020;

12 (2) 21% for reporting periods beginning on or after  
13 January 1, 2021 and ending on or before December 31, 2021;

14 (3) 17% for reporting periods beginning on or after  
15 January 1, 2022 and ending on or before December 31, 2022;

16 (4) 13% for reporting periods beginning on or after  
17 January 1, 2023 and ending on or before December 31, 2023;

18 (5) 9% for reporting periods beginning on or after  
19 January 1, 2024 and ending on or before December 31, 2024;

20 (6) 5% for reporting periods beginning on or after  
21 January 1, 2025 and ending on or before December 31, 2025.

22 The amount computed under this subsection may continue to  
23 be claimed for reporting periods beginning on or after January  
24 1, 2026 and:

25 (A) ending on or before December 31, 2026 for  
26 employers with more than 5 employees; or

1 (B) ending on or before December 31, 2027 for  
2 employers with no more than 5 employees.

3 "Qualified employee" means an employee who is paid not  
4 more than the required minimum wage and has an average wage  
5 paid per hour by the employer during the reporting period  
6 equal to or greater than his or her average wage paid per hour  
7 by the employer during each reporting period for the  
8 immediately preceding 12 months. A new qualified employee is  
9 deemed to have earned the required minimum wage in the  
10 preceding reporting period.

11 "Reporting period" means the quarter for which a return is  
12 required to be filed under subsection (b) of this Section.

13 (j) For reporting periods beginning on or after January 1,  
14 2023, if a private employer grants all of its employees the  
15 option of taking a paid leave of absence of at least 30 days  
16 for the purpose of serving as an organ donor or bone marrow  
17 donor, then the private employer may take a credit against the  
18 payments due under this Section in an amount equal to the  
19 amount withheld under this Section with respect to wages paid  
20 while the employee is on organ donation leave, not to exceed  
21 \$1,000 in withholdings for each employee who takes organ  
22 donation leave. To be eligible for the credit, such a leave of  
23 absence must be taken without loss of pay, vacation time,  
24 compensatory time, personal days, or sick time for at least  
25 the first 30 days of the leave of absence. The private employer  
26 shall adopt rules governing organ donation leave, including

1 rules that (i) establish conditions and procedures for  
2 requesting and approving leave and (ii) require medical  
3 documentation of the proposed organ or bone marrow donation  
4 before leave is approved by the private employer. A private  
5 employer must provide, in the manner required by the  
6 Department, documentation from the employee's medical  
7 provider, which the private employer receives from the  
8 employee, that verifies the employee's organ donation. The  
9 private employer must also provide, in the manner required by  
10 the Department, documentation that shows that a qualifying  
11 organ donor leave policy was in place and offered to all  
12 qualifying employees at the time the leave was taken. For the  
13 private employer to receive the tax credit, the employee  
14 taking organ donor leave must allow for the applicable medical  
15 records to be disclosed to the Department. If the private  
16 employer cannot provide the required documentation to the  
17 Department, then the private employer is ineligible for the  
18 credit under this Section. A private employer must also  
19 provide, in the form required by the Department, any  
20 additional documentation or information required by the  
21 Department to administer the credit under this Section. The  
22 credit under this subsection (j) shall be taken within one  
23 year after the date upon which the organ donation leave  
24 begins. If the leave taken spans into a second tax year, the  
25 employer qualifies for the allowable credit in the later of  
26 the 2 years. If the amount of credit exceeds the tax liability

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

7 Nothing in this subsection (j) prohibits a private  
8 employer from providing an unpaid leave of absence to its  
9 employees for the purpose of serving as an organ donor or bone  
10 marrow donor; however, if the employer's policy provides for  
11 fewer than 30 days of paid leave for organ or bone marrow  
12 donation, then the employer shall not be eligible for the  
13 credit under this Section.

14 As used in this subsection (j):

15 "Organ" means any biological tissue of the human body that  
16 may be donated by a living donor, including, but not limited  
17 to, the kidney, liver, lung, pancreas, intestine, bone, skin,  
18 or any subpart of those organs.

19 "Organ donor" means a person from whose body an organ is  
20 taken to be transferred to the body of another person.

21 "Private employer" means a sole proprietorship,  
22 corporation, partnership, limited liability company, or other  
23 entity with one or more employees. "Private employer" does not  
24 include a municipality, county, State agency, or other public  
25 employer.

26 This subsection (j) is exempt from the provisions of

1 Section 250 of this Act.

2 (k) A taxpayer who is issued a certificate under the Local  
3 Journalism Sustainability Act for a taxable year shall be  
4 allowed a credit against payments due under this Section as  
5 provided in that Act.

6 (Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21;  
7 102-700, Article 30, Section 30-5, eff. 4-19-22; 102-700,  
8 Article 110, Section 110-905, eff. 4-19-22; 102-1125, eff.  
9 2-3-23.)

10 ARTICLE 45.

11 Section 45-5. The Live Theater Production Tax Credit Act  
12 is amended by changing Sections 10-10, 10-20, and 10-40 as  
13 follows:

14 (35 ILCS 17/10-10)

15 Sec. 10-10. Definitions. As used in this Act:

16 "Accredited theater production" means a for-profit live  
17 stage presentation in a qualified production facility, as  
18 defined in this Section, that is either (i) a pre-Broadway  
19 production or (ii) a long-run production for which the  
20 aggregate Illinois labor and marketing expenditures exceed  
21 \$100,000. For credits awarded under this Act on or after July  
22 1, 2022 ~~in State Fiscal Year 2023~~, "accredited theater  
23 production" also includes any commercial Broadway touring

1 show. For credits awarded under this Act on or after July 1,  
2 2024, "accredited theater production" also includes non-profit  
3 theater productions.

4 "Commercial Broadway touring show" means a production that  
5 (i) is performed in a qualified production facility and plays  
6 in more than 2 other markets in North America outside of  
7 Illinois within 12 months of its Illinois presentation and  
8 (ii) has Illinois production spending of not less than  
9 \$100,000, as shown on the applicant's application for the  
10 credit.

11 "Pre-Broadway production" means a live stage production  
12 that, (i) in its original or adaptive version, is performed in  
13 a qualified production facility with the goal of having a  
14 presentation scheduled for Broadway's Theater District in New  
15 York City ~~within 12 months~~ after its Illinois presentation and  
16 (ii) has Illinois production spending of not less than  
17 \$100,000, as shown on the applicant's application for the  
18 credit.

19 "Long-run production" means a live stage production that  
20 is performed in a qualified production facility for longer  
21 than 8 weeks, with at least 6 performances per week, and  
22 includes a production that spans the end of one tax year and  
23 the commencement of a new tax year that, in combination, meets  
24 the criteria set forth in this definition making it a long-run  
25 production eligible for a theater tax credit award in each tax  
26 year or portion thereof.

1       "Non-profit theater production" means a live stage  
2 production that is at least 75 minutes in length with a written  
3 script that (i) is produced by a 501(c)3 non-profit registered  
4 in the State of Illinois for at least 5 years, (ii) has  
5 Illinois production spending of not less than \$10,000, as  
6 shown on the applicant's application for the credit, and (iii)  
7 has a minimum annual operating budget of \$25,000 or more, as  
8 shown on the applicant's application for the credit.

9       "Accredited theater production certificate" means a  
10 certificate issued by the Department certifying that the  
11 production is an accredited theater production that meets the  
12 guidelines of this Act.

13       "Applicant" means ~~a taxpayer that is~~ a theater producer,  
14 owner, licensee, operator, or presenter that is presenting or  
15 has presented a live stage presentation located within the  
16 State of Illinois who:

17           (1) owns or licenses the theatrical rights of the  
18 stage presentation for the Illinois production period; or

19           (2) has contracted or will contract directly with the  
20 owner or licensee of the theatrical rights or a person  
21 acting on behalf of the owner or licensee to provide live  
22 performances of the production.

23       An applicant that directly or indirectly owns, controls,  
24 or operates multiple qualified production facilities shall be  
25 presumed to be and considered for the purposes of this Act to  
26 be a single applicant; provided, however, that as to each of



1 the applicant's qualified production facilities, the applicant  
2 shall be eligible to separately and contemporaneously (i)  
3 apply for and obtain accredited theater production  
4 certificates, (ii) stage accredited theater productions, and  
5 (iii) apply for and receive a tax credit award certificate for  
6 each of the applicant's accredited theater productions  
7 performed at each of the applicant's qualified production  
8 facilities.

9 "Department" means the Department of Commerce and Economic  
10 Opportunity.

11 "Director" means the Director of the Department.

12 "Illinois labor expenditure" means gross salary or wages  
13 including, but not limited to, taxes, benefits, and any other  
14 consideration incurred or paid to non-talent employees of the  
15 applicant for services rendered to and on behalf of the  
16 accredited theater production. To qualify as an Illinois labor  
17 expenditure, the expenditure must be:

18 (1) incurred or paid by the applicant on or after the  
19 effective date of the Act for services related to any  
20 portion of an accredited theater production from its  
21 pre-production stages, including, but not limited to, the  
22 writing of the script, casting, hiring of service  
23 providers, purchases from vendors, marketing, advertising,  
24 public relations, load in, rehearsals, performances, other  
25 accredited theater production related activities, and load  
26 out;

1           (2) directly attributable to the accredited theater  
2 production;

3           (3) limited to the first \$100,000 of wages incurred or  
4 paid to each employee of an accredited theater production  
5 in each tax year;

6           (4) included in the federal income tax basis of the  
7 property;

8           (5) paid in the tax year for which the applicant is  
9 claiming the tax credit award, or no later than 60 days  
10 after the end of the tax year;

11           (6) paid to persons residing in Illinois at the time  
12 payments were made; and

13           (7) reasonable in the circumstances.

14           "Illinois production spending" means any and all expenses  
15 directly or indirectly incurred relating to an accredited  
16 theater production presented in any qualified production  
17 facility of the applicant, including, but not limited to,  
18 expenditures for:

19           (1) national marketing, public relations, and the  
20 creation and placement of print, electronic, television,  
21 billboard, and other forms of advertising; and

22           (2) the construction and fabrication of scenic  
23 materials and elements; provided, however, that the  
24 maximum amount of expenditures attributable to the  
25 construction and fabrication of scenic materials and  
26 elements eligible for a tax credit award shall not exceed

1           \$500,000 per applicant per production in any single tax  
2           year.

3           "Qualified production facility" means a facility located  
4           in the State in which live theatrical productions are, or are  
5           intended to be, exclusively presented that contains at least  
6           one stage, a seating capacity of 1,200 or more seats or, if the  
7           live theater production is a non-profit theater production, a  
8           seating capacity of 50 or more seats, and dressing rooms,  
9           storage areas, and other ancillary amenities necessary for the  
10          accredited theater production.

11          "Tax credit award" means the issuance to a taxpayer by the  
12          Department of a tax credit award in conformance with Sections  
13          10-40 and 10-45 of this Act.

14          "Tax year" means a calendar year for the period January 1  
15          to and including December 31.

16          (Source: P.A. 102-1112, eff. 12-21-22.)

17                 (35 ILCS 17/10-20)

18          Sec. 10-20. Tax credit award. Subject to the conditions  
19          set forth in this Act, an applicant is entitled to a tax credit  
20          award as approved by the Department for qualifying Illinois  
21          labor expenditures and Illinois production spending for each  
22          tax year in which the applicant is awarded an accredited  
23          theater production certificate issued by the Department. The  
24          amount of tax credits awarded pursuant to this Act shall not  
25          exceed \$2,000,000 in any State fiscal year ending on or before

1 June 30, 2022. The, ~~except that~~ the amount of tax credits  
2 awarded pursuant to this Act for the State fiscal year ending  
3 on June 30, 2023 or the State fiscal year ending on June 30,  
4 2024 shall not exceed \$4,000,000. For the State fiscal year  
5 ending on June 30, 2023 and the State fiscal year ending on  
6 June 30, 2024, no more than \$2,000,000 in credits may be  
7 awarded in either of those fiscal years to accredited theater  
8 productions that are not commercial Broadway touring shows,  
9 and no more than \$2,000,000 in credits may be awarded in either  
10 of those fiscal years to commercial Broadway touring shows.  
11 For State fiscal years ending on or after June 30, 2025, the  
12 amount of tax credits awarded under this Act shall not exceed  
13 \$6,000,000, with no more than \$2,000,000 in credits awarded  
14 for long-run productions and pre-Broadway productions, no more  
15 than \$2,000,000 in credits awarded for commercial Broadway  
16 touring shows, and no more than \$2,000,000 in credits awarded  
17 for non-profit theater productions. In the case of credits  
18 awarded under this Act for non-profit theater productions, no  
19 more than \$100,000 in credits may be awarded to any single  
20 non-profit theater production. Credits shall be awarded on a  
21 first-come, first-served basis. Notwithstanding the foregoing,  
22 if the amount of credits applied for in any fiscal year exceeds  
23 the amount authorized to be awarded under this Section, the  
24 excess credit amount shall be awarded in the next fiscal year  
25 in which credits remain available for award and shall be  
26 treated as having been applied for on the first day of that

1 fiscal year.

2 (Source: P.A. 102-700, eff. 4-19-22; 102-1112, eff. 12-21-22.)

3 (35 ILCS 17/10-40)

4 Sec. 10-40. Issuance of Tax Credit Award Certificate.

5 (a) In order to qualify for a tax credit award under this  
6 Act, an applicant must file an application for each accredited  
7 theater production at each of the applicant's qualified  
8 production facilities, on forms prescribed by the Department,  
9 providing information necessary to calculate the tax credit  
10 award and any additional information as reasonably required by  
11 the Department.

12 (b) Upon satisfactory review of the application, the  
13 Department shall issue a tax credit award certificate stating  
14 the amount of the tax credit award to which the applicant is  
15 entitled for that tax year and shall contemporaneously notify  
16 the applicant and Illinois Department of Revenue in accordance  
17 with Section 222 of the Illinois Income Tax Act or, if the  
18 applicant is a nonprofit theater production, subsection (k) of  
19 Section 704A of the Illinois Income Tax Act, as applicable.

20 (Source: P.A. 97-636, eff. 6-1-12.)

21 Section 45-10. The Illinois Income Tax Act is amended by  
22 changing Sections 222 and 704A as follows:

23 (35 ILCS 5/222)

1           Sec. 222. Live theater production credit.

2           (a) For tax years beginning on or after January 1, 2012 and  
3 beginning prior to January 1, 2027, a taxpayer who has  
4 received a tax credit award under the Live Theater Production  
5 Tax Credit Act for a long-run production, a pre-Broadway  
6 production, or a commercial Broadway touring show is entitled  
7 to a credit against the taxes imposed under subsections (a)  
8 and (b) of Section 201 of this Act in an amount determined  
9 under that Act by the Department of Commerce and Economic  
10 Opportunity.

11           (b) For taxable years ending before December 31, 2023, if  
12 the taxpayer is a partnership, limited liability partnership,  
13 limited liability company, or Subchapter S corporation, the  
14 tax credit award is allowed to the partners, unit holders, or  
15 shareholders in accordance with the determination of income  
16 and distributive share of income under Sections 702 and 704  
17 and Subchapter S of the Internal Revenue Code. For taxable  
18 years ending on or after December 31, 2023, if the taxpayer is  
19 a partnership or Subchapter S corporation, then the provisions  
20 of Section 251 apply.

21           (c) A sale, assignment, or transfer of the tax credit  
22 award may be made by the taxpayer earning the credit within one  
23 year after the credit is awarded in accordance with rules  
24 adopted by the Department of Commerce and Economic  
25 Opportunity.

26           (d) The Department of Revenue, in cooperation with the

1 Department of Commerce and Economic Opportunity, shall adopt  
2 rules to enforce and administer the provisions of this  
3 Section.

4 (e) The tax credit award may not be carried back. If the  
5 amount of the credit exceeds the tax liability for the year,  
6 the excess may be carried forward and applied to the tax  
7 liability of the 5 tax years following the excess credit year.  
8 The tax credit award shall be applied to the earliest year for  
9 which there is a tax liability. If there are credits from more  
10 than one tax year that are available to offset liability, the  
11 earlier credit shall be applied first. In no event may a credit  
12 under this Section reduce the taxpayer's liability to less  
13 than zero.

14 (Source: P.A. 102-16, eff. 6-17-21; 103-396, eff. 1-1-24.)

15 (35 ILCS 5/704A)

16 Sec. 704A. Employer's return and payment of tax withheld.

17 (a) In general, every employer who deducts and withholds  
18 or is required to deduct and withhold tax under this Act on or  
19 after January 1, 2008 shall make those payments and returns as  
20 provided in this Section.

21 (b) Returns. Every employer shall, in the form and manner  
22 required by the Department, make returns with respect to taxes  
23 withheld or required to be withheld under this Article 7 for  
24 each quarter beginning on or after January 1, 2008, on or  
25 before the last day of the first month following the close of

1 that quarter.

2 (c) Payments. With respect to amounts withheld or required  
3 to be withheld on or after January 1, 2008:

4 (1) Semi-weekly payments. For each calendar year, each  
5 employer who withheld or was required to withhold more  
6 than \$12,000 during the one-year period ending on June 30  
7 of the immediately preceding calendar year, payment must  
8 be made:

9 (A) on or before each Friday of the calendar year,  
10 for taxes withheld or required to be withheld on the  
11 immediately preceding Saturday, Sunday, Monday, or  
12 Tuesday;

13 (B) on or before each Wednesday of the calendar  
14 year, for taxes withheld or required to be withheld on  
15 the immediately preceding Wednesday, Thursday, or  
16 Friday.

17 Beginning with calendar year 2011, payments made under  
18 this paragraph (1) of subsection (c) must be made by  
19 electronic funds transfer.

20 (2) Semi-weekly payments. Any employer who withholds  
21 or is required to withhold more than \$12,000 in any  
22 quarter of a calendar year is required to make payments on  
23 the dates set forth under item (1) of this subsection (c)  
24 for each remaining quarter of that calendar year and for  
25 the subsequent calendar year.

26 (3) Monthly payments. Each employer, other than an



1 employer described in items (1) or (2) of this subsection,  
2 shall pay to the Department, on or before the 15th day of  
3 each month the taxes withheld or required to be withheld  
4 during the immediately preceding month.

5 (4) Payments with returns. Each employer shall pay to  
6 the Department, on or before the due date for each return  
7 required to be filed under this Section, any tax withheld  
8 or required to be withheld during the period for which the  
9 return is due and not previously paid to the Department.

10 (d) Regulatory authority. The Department may, by rule:

11 (1) Permit employers, in lieu of the requirements of  
12 subsections (b) and (c), to file annual returns due on or  
13 before January 31 of the year for taxes withheld or  
14 required to be withheld during the previous calendar year  
15 and, if the aggregate amounts required to be withheld by  
16 the employer under this Article 7 (other than amounts  
17 required to be withheld under Section 709.5) do not exceed  
18 \$1,000 for the previous calendar year, to pay the taxes  
19 required to be shown on each such return no later than the  
20 due date for such return.

21 (2) Provide that any payment required to be made under  
22 subsection (c)(1) or (c)(2) is deemed to be timely to the  
23 extent paid by electronic funds transfer on or before the  
24 due date for deposit of federal income taxes withheld  
25 from, or federal employment taxes due with respect to, the  
26 wages from which the Illinois taxes were withheld.

1           (3) Designate one or more depositories to which  
2           payment of taxes required to be withheld under this  
3           Article 7 must be paid by some or all employers.

4           (4) Increase the threshold dollar amounts at which  
5           employers are required to make semi-weekly payments under  
6           subsection (c) (1) or (c) (2).

7           (e) Annual return and payment. Every employer who deducts  
8           and withholds or is required to deduct and withhold tax from a  
9           person engaged in domestic service employment, as that term is  
10          defined in Section 3510 of the Internal Revenue Code, may  
11          comply with the requirements of this Section with respect to  
12          such employees by filing an annual return and paying the taxes  
13          required to be deducted and withheld on or before the 15th day  
14          of the fourth month following the close of the employer's  
15          taxable year. The Department may allow the employer's return  
16          to be submitted with the employer's individual income tax  
17          return or to be submitted with a return due from the employer  
18          under Section 1400.2 of the Unemployment Insurance Act.

19          (f) Magnetic media and electronic filing. With respect to  
20          taxes withheld in calendar years prior to 2017, any W-2 Form  
21          that, under the Internal Revenue Code and regulations  
22          promulgated thereunder, is required to be submitted to the  
23          Internal Revenue Service on magnetic media or electronically  
24          must also be submitted to the Department on magnetic media or  
25          electronically for Illinois purposes, if required by the  
26          Department.

1 With respect to taxes withheld in 2017 and subsequent  
2 calendar years, the Department may, by rule, require that any  
3 return (including any amended return) under this Section and  
4 any W-2 Form that is required to be submitted to the Department  
5 must be submitted on magnetic media or electronically.

6 The due date for submitting W-2 Forms shall be as  
7 prescribed by the Department by rule.

8 (g) For amounts deducted or withheld after December 31,  
9 2009, a taxpayer who makes an election under subsection (f) of  
10 Section 5-15 of the Economic Development for a Growing Economy  
11 Tax Credit Act for a taxable year shall be allowed a credit  
12 against payments due under this Section for amounts withheld  
13 during the first calendar year beginning after the end of that  
14 taxable year equal to the amount of the credit for the  
15 incremental income tax attributable to full-time employees of  
16 the taxpayer awarded to the taxpayer by the Department of  
17 Commerce and Economic Opportunity under the Economic  
18 Development for a Growing Economy Tax Credit Act for the  
19 taxable year and credits not previously claimed and allowed to  
20 be carried forward under Section 211(4) of this Act as  
21 provided in subsection (f) of Section 5-15 of the Economic  
22 Development for a Growing Economy Tax Credit Act. The credit  
23 or credits may not reduce the taxpayer's obligation for any  
24 payment due under this Section to less than zero. If the amount  
25 of the credit or credits exceeds the total payments due under  
26 this Section with respect to amounts withheld during the

1 calendar year, the excess may be carried forward and applied  
2 against the taxpayer's liability under this Section in the  
3 succeeding calendar years as allowed to be carried forward  
4 under paragraph (4) of Section 211 of this Act. The credit or  
5 credits shall be applied to the earliest year for which there  
6 is a tax liability. If there are credits from more than one  
7 taxable year that are available to offset a liability, the  
8 earlier credit shall be applied first. Each employer who  
9 deducts and withholds or is required to deduct and withhold  
10 tax under this Act and who retains income tax withholdings  
11 under subsection (f) of Section 5-15 of the Economic  
12 Development for a Growing Economy Tax Credit Act must make a  
13 return with respect to such taxes and retained amounts in the  
14 form and manner that the Department, by rule, requires and pay  
15 to the Department or to a depository designated by the  
16 Department those withheld taxes not retained by the taxpayer.  
17 For purposes of this subsection (g), the term taxpayer shall  
18 include taxpayer and members of the taxpayer's unitary  
19 business group as defined under paragraph (27) of subsection  
20 (a) of Section 1501 of this Act. This Section is exempt from  
21 the provisions of Section 250 of this Act. No credit awarded  
22 under the Economic Development for a Growing Economy Tax  
23 Credit Act for agreements entered into on or after January 1,  
24 2015 may be credited against payments due under this Section.

25 (g-1) For amounts deducted or withheld after December 31,  
26 2024, a taxpayer who makes an election under the Reimagining

1 Energy and Vehicles in Illinois Act shall be allowed a credit  
2 against payments due under this Section for amounts withheld  
3 during the first quarterly reporting period beginning after  
4 the certificate is issued equal to the portion of the REV  
5 Illinois Credit attributable to the incremental income tax  
6 attributable to new employees and retained employees as  
7 certified by the Department of Commerce and Economic  
8 Opportunity pursuant to an agreement with the taxpayer under  
9 the Reimagining Energy and Vehicles in Illinois Act for the  
10 taxable year. The credit or credits may not reduce the  
11 taxpayer's obligation for any payment due under this Section  
12 to less than zero. If the amount of the credit or credits  
13 exceeds the total payments due under this Section with respect  
14 to amounts withheld during the quarterly reporting period, the  
15 excess may be carried forward and applied against the  
16 taxpayer's liability under this Section in the succeeding  
17 quarterly reporting period as allowed to be carried forward  
18 under paragraph (4) of Section 211 of this Act. The credit or  
19 credits shall be applied to the earliest quarterly reporting  
20 period for which there is a tax liability. If there are credits  
21 from more than one quarterly reporting period that are  
22 available to offset a liability, the earlier credit shall be  
23 applied first. Each employer who deducts and withholds or is  
24 required to deduct and withhold tax under this Act and who  
25 retains income tax withholdings this subsection must make a  
26 return with respect to such taxes and retained amounts in the

1 form and manner that the Department, by rule, requires and pay  
2 to the Department or to a depository designated by the  
3 Department those withheld taxes not retained by the taxpayer.  
4 For purposes of this subsection (g-1), the term taxpayer shall  
5 include taxpayer and members of the taxpayer's unitary  
6 business group as defined under paragraph (27) of subsection  
7 (a) of Section 1501 of this Act. This Section is exempt from  
8 the provisions of Section 250 of this Act.

9 (g-2) For amounts deducted or withheld after December 31,  
10 2024, a taxpayer who makes an election under the Manufacturing  
11 Illinois Chips for Real Opportunity (MICRO) Act shall be  
12 allowed a credit against payments due under this Section for  
13 amounts withheld during the first quarterly reporting period  
14 beginning after the certificate is issued equal to the portion  
15 of the MICRO Illinois Credit attributable to the incremental  
16 income tax attributable to new employees and retained  
17 employees as certified by the Department of Commerce and  
18 Economic Opportunity pursuant to an agreement with the  
19 taxpayer under the Manufacturing Illinois Chips for Real  
20 Opportunity (MICRO) Act for the taxable year. The credit or  
21 credits may not reduce the taxpayer's obligation for any  
22 payment due under this Section to less than zero. If the amount  
23 of the credit or credits exceeds the total payments due under  
24 this Section with respect to amounts withheld during the  
25 quarterly reporting period, the excess may be carried forward  
26 and applied against the taxpayer's liability under this

1 Section in the succeeding quarterly reporting period as  
2 allowed to be carried forward under paragraph (4) of Section  
3 211 of this Act. The credit or credits shall be applied to the  
4 earliest quarterly reporting period for which there is a tax  
5 liability. If there are credits from more than one quarterly  
6 reporting period that are available to offset a liability, the  
7 earlier credit shall be applied first. Each employer who  
8 deducts and withholds or is required to deduct and withhold  
9 tax under this Act and who retains income tax withholdings  
10 this subsection must make a return with respect to such taxes  
11 and retained amounts in the form and manner that the  
12 Department, by rule, requires and pay to the Department or to a  
13 depository designated by the Department those withheld taxes  
14 not retained by the taxpayer. For purposes of this subsection,  
15 the term taxpayer shall include taxpayer and members of the  
16 taxpayer's unitary business group as defined under paragraph  
17 (27) of subsection (a) of Section 1501 of this Act. This  
18 Section is exempt from the provisions of Section 250 of this  
19 Act.

20 (h) An employer may claim a credit against payments due  
21 under this Section for amounts withheld during the first  
22 calendar year ending after the date on which a tax credit  
23 certificate was issued under Section 35 of the Small Business  
24 Job Creation Tax Credit Act. The credit shall be equal to the  
25 amount shown on the certificate, but may not reduce the  
26 taxpayer's obligation for any payment due under this Section

1 to less than zero. If the amount of the credit exceeds the  
2 total payments due under this Section with respect to amounts  
3 withheld during the calendar year, the excess may be carried  
4 forward and applied against the taxpayer's liability under  
5 this Section in the 5 succeeding calendar years. The credit  
6 shall be applied to the earliest year for which there is a tax  
7 liability. If there are credits from more than one calendar  
8 year that are available to offset a liability, the earlier  
9 credit shall be applied first. This Section is exempt from the  
10 provisions of Section 250 of this Act.

11 (i) Each employer with 50 or fewer full-time equivalent  
12 employees during the reporting period may claim a credit  
13 against the payments due under this Section for each qualified  
14 employee in an amount equal to the maximum credit allowable.  
15 The credit may be taken against payments due for reporting  
16 periods that begin on or after January 1, 2020, and end on or  
17 before December 31, 2027. An employer may not claim a credit  
18 for an employee who has worked fewer than 90 consecutive days  
19 immediately preceding the reporting period; however, such  
20 credits may accrue during that 90-day period and be claimed  
21 against payments under this Section for future reporting  
22 periods after the employee has worked for the employer at  
23 least 90 consecutive days. In no event may the credit exceed  
24 the employer's liability for the reporting period. Each  
25 employer who deducts and withholds or is required to deduct  
26 and withhold tax under this Act and who retains income tax



1 withholdings under this subsection must make a return with  
2 respect to such taxes and retained amounts in the form and  
3 manner that the Department, by rule, requires and pay to the  
4 Department or to a depository designated by the Department  
5 those withheld taxes not retained by the employer.

6 For each reporting period, the employer may not claim a  
7 credit or credits for more employees than the number of  
8 employees making less than the minimum or reduced wage for the  
9 current calendar year during the last reporting period of the  
10 preceding calendar year. Notwithstanding any other provision  
11 of this subsection, an employer shall not be eligible for  
12 credits for a reporting period unless the average wage paid by  
13 the employer per employee for all employees making less than  
14 \$55,000 during the reporting period is greater than the  
15 average wage paid by the employer per employee for all  
16 employees making less than \$55,000 during the same reporting  
17 period of the prior calendar year.

18 For purposes of this subsection (i):

19 "Compensation paid in Illinois" has the meaning ascribed  
20 to that term under Section 304(a)(2)(B) of this Act.

21 "Employer" and "employee" have the meaning ascribed to  
22 those terms in the Minimum Wage Law, except that "employee"  
23 also includes employees who work for an employer with fewer  
24 than 4 employees. Employers that operate more than one  
25 establishment pursuant to a franchise agreement or that  
26 constitute members of a unitary business group shall aggregate

1 their employees for purposes of determining eligibility for  
2 the credit.

3 "Full-time equivalent employees" means the ratio of the  
4 number of paid hours during the reporting period and the  
5 number of working hours in that period.

6 "Maximum credit" means the percentage listed below of the  
7 difference between the amount of compensation paid in Illinois  
8 to employees who are paid not more than the required minimum  
9 wage reduced by the amount of compensation paid in Illinois to  
10 employees who were paid less than the current required minimum  
11 wage during the reporting period prior to each increase in the  
12 required minimum wage on January 1. If an employer pays an  
13 employee more than the required minimum wage and that employee  
14 previously earned less than the required minimum wage, the  
15 employer may include the portion that does not exceed the  
16 required minimum wage as compensation paid in Illinois to  
17 employees who are paid not more than the required minimum  
18 wage.

19 (1) 25% for reporting periods beginning on or after  
20 January 1, 2020 and ending on or before December 31, 2020;

21 (2) 21% for reporting periods beginning on or after  
22 January 1, 2021 and ending on or before December 31, 2021;

23 (3) 17% for reporting periods beginning on or after  
24 January 1, 2022 and ending on or before December 31, 2022;

25 (4) 13% for reporting periods beginning on or after  
26 January 1, 2023 and ending on or before December 31, 2023;

1           (5) 9% for reporting periods beginning on or after  
2           January 1, 2024 and ending on or before December 31, 2024;

3           (6) 5% for reporting periods beginning on or after  
4           January 1, 2025 and ending on or before December 31, 2025.

5           The amount computed under this subsection may continue to  
6           be claimed for reporting periods beginning on or after January  
7           1, 2026 and:

8           (A) ending on or before December 31, 2026 for  
9           employers with more than 5 employees; or

10          (B) ending on or before December 31, 2027 for  
11          employers with no more than 5 employees.

12          "Qualified employee" means an employee who is paid not  
13          more than the required minimum wage and has an average wage  
14          paid per hour by the employer during the reporting period  
15          equal to or greater than his or her average wage paid per hour  
16          by the employer during each reporting period for the  
17          immediately preceding 12 months. A new qualified employee is  
18          deemed to have earned the required minimum wage in the  
19          preceding reporting period.

20          "Reporting period" means the quarter for which a return is  
21          required to be filed under subsection (b) of this Section.

22          (j) For reporting periods beginning on or after January 1,  
23          2023, if a private employer grants all of its employees the  
24          option of taking a paid leave of absence of at least 30 days  
25          for the purpose of serving as an organ donor or bone marrow  
26          donor, then the private employer may take a credit against the

1 payments due under this Section in an amount equal to the  
2 amount withheld under this Section with respect to wages paid  
3 while the employee is on organ donation leave, not to exceed  
4 \$1,000 in withholdings for each employee who takes organ  
5 donation leave. To be eligible for the credit, such a leave of  
6 absence must be taken without loss of pay, vacation time,  
7 compensatory time, personal days, or sick time for at least  
8 the first 30 days of the leave of absence. The private employer  
9 shall adopt rules governing organ donation leave, including  
10 rules that (i) establish conditions and procedures for  
11 requesting and approving leave and (ii) require medical  
12 documentation of the proposed organ or bone marrow donation  
13 before leave is approved by the private employer. A private  
14 employer must provide, in the manner required by the  
15 Department, documentation from the employee's medical  
16 provider, which the private employer receives from the  
17 employee, that verifies the employee's organ donation. The  
18 private employer must also provide, in the manner required by  
19 the Department, documentation that shows that a qualifying  
20 organ donor leave policy was in place and offered to all  
21 qualifying employees at the time the leave was taken. For the  
22 private employer to receive the tax credit, the employee  
23 taking organ donor leave must allow for the applicable medical  
24 records to be disclosed to the Department. If the private  
25 employer cannot provide the required documentation to the  
26 Department, then the private employer is ineligible for the

1 credit under this Section. A private employer must also  
2 provide, in the form required by the Department, any  
3 additional documentation or information required by the  
4 Department to administer the credit under this Section. The  
5 credit under this subsection (j) shall be taken within one  
6 year after the date upon which the organ donation leave  
7 begins. If the leave taken spans into a second tax year, the  
8 employer qualifies for the allowable credit in the later of  
9 the 2 years. If the amount of credit exceeds the tax liability  
10 for the year, the excess may be carried and applied to the tax  
11 liability for the 3 taxable years following the excess credit  
12 year. The tax credit shall be applied to the earliest year for  
13 which there is a tax liability. If there are credits for more  
14 than one year that are available to offset liability, the  
15 earlier credit shall be applied first.

16 Nothing in this subsection (j) prohibits a private  
17 employer from providing an unpaid leave of absence to its  
18 employees for the purpose of serving as an organ donor or bone  
19 marrow donor; however, if the employer's policy provides for  
20 fewer than 30 days of paid leave for organ or bone marrow  
21 donation, then the employer shall not be eligible for the  
22 credit under this Section.

23 As used in this subsection (j):

24 "Organ" means any biological tissue of the human body that  
25 may be donated by a living donor, including, but not limited  
26 to, the kidney, liver, lung, pancreas, intestine, bone, skin,

1 or any subpart of those organs.

2 "Organ donor" means a person from whose body an organ is  
3 taken to be transferred to the body of another person.

4 "Private employer" means a sole proprietorship,  
5 corporation, partnership, limited liability company, or other  
6 entity with one or more employees. "Private employer" does not  
7 include a municipality, county, State agency, or other public  
8 employer.

9 This subsection (j) is exempt from the provisions of  
10 Section 250 of this Act.

11 (k) For reporting periods beginning on or after January 1,  
12 2025 and before January 1, 2027, an employer may claim a credit  
13 against payments due under this Section for amounts withheld  
14 during the first reporting period to occur after the date on  
15 which a tax credit certificate is issued for a non-profit  
16 theater production under Section 10 of the Live Theater  
17 Production Tax Credit Act. The credit shall be equal to the  
18 amount shown on the certificate, but may not reduce the  
19 taxpayer's obligation for any payment due under this Article  
20 to less than zero. If the amount of the credit exceeds the  
21 total amount due under this Article with respect to amounts  
22 withheld during the first reporting period to occur after the  
23 date on which a tax credit certificate is issued, the excess  
24 may be carried forward and applied against the taxpayer's  
25 liability under this Section for reporting periods that occur  
26 in the 5 succeeding calendar years. The excess credit shall be

1 applied to the earliest reporting period for which there is a  
2 payment due under this Article. If there are credits from more  
3 than one reporting period that are available to offset a  
4 liability, the earlier credit shall be applied first. The  
5 Department of Revenue, in cooperation with the Department of  
6 Commerce and Economic Opportunity, shall adopt rules to  
7 enforce and administer the provisions of this subsection.

8 (Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21;  
9 102-700, Article 30, Section 30-5, eff. 4-19-22; 102-700,  
10 Article 110, Section 110-905, eff. 4-19-22; 102-1125, eff.  
11 2-3-23.)

12 ARTICLE 50.

13 Section 50-1. Short title. This Act may be cited as the  
14 Music and Musicians Tax Credit and Jobs Act. References in  
15 this Article to "this Act" mean this Article.

16 Section 50-5. Purpose. The State's economy depends heavily  
17 on music, professional musicians, music teachers, and  
18 educators. Illinois is a cultural crown jewel of the United  
19 States. Illinois and Chicago boast a robust history and  
20 community of creative artists, writers, musicians, architects,  
21 orchestras, live music and entertainment venues, civic operas,  
22 recording studios, and universities. The COVID-19 pandemic and  
23 the economic fallout that ensued brought on especially

1 difficult circumstances for the live entertainment industry at  
2 large. Throughout the State, this has meant the closure of and  
3 overall decrease in culturally engaging aspects of Illinois  
4 cities from Cairo to Chicago.

5 According to the Americans for the Arts Action Fund, arts  
6 and culture represent 3.1% of the State's gross domestic  
7 product and 190,078 jobs. In fact, in 2020, Illinois arts and  
8 culture was larger than the State's agriculture industry. In  
9 2015, nonprofit arts organizations in the State generated  
10 \$4,000,000,000 in economic activity that supported 111,068  
11 jobs and generated \$478,500,000 in State and local government  
12 revenue. In Chicago specifically, nonprofit arts groups  
13 generated \$3,200,000,000 in total economic activity and  
14 \$336,500,000 in State and local government revenue. Audiences  
15 exceeded 36,000,000 people.

16 Yet, during the COVID-19 pandemic, the arts suffered. As a  
17 result, Illinois arts and culture value added decreased by 9%  
18 between 2019 and 2020 and employment decreased by 12%.  
19 Ultimately, \$3,200,000,000 and 26,644 jobs were lost. Even as  
20 live performances have resumed, audience sizes remain below  
21 pre-pandemic levels. Regional theaters, local orchestras,  
22 opera houses, and performing arts organizations are reporting  
23 persistent drops in attendance.

24 It is the policy of this State to promote and encourage the  
25 training and hiring of Illinois residents who represent the  
26 diversity of the Illinois population through the creation and



1 implementation of training, education, and recruitment  
2 programs organized in cooperation with Illinois colleges and  
3 universities, labor organizations, and the commercial  
4 for-profit music industry.

5 Section 50-10. Definitions.

6 "Department" means the Department of Commerce and Economic  
7 Opportunity.

8 "Expenditure in the State" means (i) an expenditure to  
9 acquire, from a source within the State, property that is  
10 subject to tax under the Use Tax Act, the Service Use Tax Act,  
11 the Service Occupation Tax Act, or the Retailers' Occupation  
12 Tax Act or (ii) an expenditure for compensation for services  
13 performed within the State that is subject to State income tax  
14 under the Illinois Income Tax Act.

15 "Illinois labor expenditure" means gross salary or wages,  
16 including, but not limited to, taxes, benefits, and any other  
17 consideration incurred or paid to artist employees of the  
18 applicant for services rendered to and on behalf of the  
19 qualified music company, provided that the expenditure is:

20 (1) incurred or paid by the applicant on or after the  
21 effective date of this Act for services related to any  
22 portion of a qualified music company from rehearsals,  
23 performances, and any other qualified music company  
24 related activities;

25 (2) limited to the first \$100,000 of wages incurred or

1           paid to each employee of a qualified music production in  
2           each tax year;

3           (3) paid in the tax year for which the applicant is  
4           claiming the tax credit award;

5           (4) paid to persons residing in Illinois at the time  
6           payments were made; and

7           (5) reasonable under the circumstances.

8           "Qualified music company" means an entity that (i) is  
9           authorized to do business in Illinois, (ii) is engaged  
10          directly or indirectly in the production, distribution, or  
11          promotion of music, (iii) is certified by the Department as  
12          meeting the eligibility requirements of this Act, and (iv) has  
13          executed a contract with the Department providing the terms  
14          and conditions for its participation.

15          "Qualified music company payroll" or "QMC payroll" means  
16          wages reported by the qualified music company in box 1 of each  
17          W-2 form prepared for an employee of the qualified music  
18          company who is an Illinois resident.

19          "Resident copyright" means the copyright of a musical  
20          composition written by an Illinois resident or owned by an  
21          Illinois-domiciled music company, as evidenced by documents of  
22          ownership, including, but not limited to, registration with  
23          the United States Copyright Office.

24          "Sound recording" means a recording of music, poetry, or a  
25          spoken-word performance made, in whole or in part, in  
26          Illinois. "Sound recording" does not include the audio

1 portions of dialogue or words spoken and recorded as part of  
2 television news coverage or athletic events.

3 "Sound recording production company" means a company  
4 engaged in the business of producing sound recordings. "Sound  
5 recording production company" does not include any person or  
6 company, or any company owned, affiliated, or controlled, in  
7 whole or in part, by any company or person, that is in default  
8 on a loan made by the State or a loan guaranteed by the State,  
9 nor which has ever declared bankruptcy under which an  
10 obligation of the company or person to pay or repay public  
11 funds or moneys was discharged as a part of the bankruptcy.

12 "State-certified production" means a sound recording  
13 production, or a series of productions, including but not  
14 limited to master and demonstration recordings, occurring over  
15 the course of a 12-month period, and the base  
16 production-related investment that is approved by the  
17 Department within 180 days after receipt by the Department of  
18 a complete application for initial certification of a  
19 production. If the production is not approved within 180 days,  
20 the Department shall provide a written report to the Senate  
21 Executive Committee and the House Executive Committee that  
22 states the reason why the production has not been approved.

23 "Tax credit award" means the issuance to a taxpayer by the  
24 Department of a tax credit award against the taxes imposed by  
25 subsections (a) and (b) of Section 201 of the Illinois Income  
26 Tax Act as provided in this Act.

1           Section 50-15. Powers of the Department. The Department,  
2           in addition to those powers granted under the Civil  
3           Administrative Code of Illinois, is granted and has all the  
4           powers necessary or convenient to carry out and effectuate the  
5           purposes and provisions of this Act, including, but not  
6           limited to, the power and authority to:

7                   (1) adopt rules that are necessary and appropriate for  
8                   the administration of this Act;

9                   (2) establish forms for applications, notifications,  
10                  contracts, or any other agreements with respect to tax  
11                  credits under this Act and to accept applications for tax  
12                  credits under this Act at any time during the year;

13                  (3) assist applicants for tax credits under this Act  
14                  to promote, foster, and support sound recording and live  
15                  theater development and production and its related job  
16                  creation or retention within the State;

17                  (4) gather information and conduct inquiries, as  
18                  provided in this Act, required for the Department to  
19                  comply with the provisions of this Act and, without  
20                  limitation, to obtain information with respect to  
21                  applicants for the purpose of making any designations or  
22                  certifications necessary or desirable to assist the  
23                  Department with any recommendation or guidance in the  
24                  furtherance of the purposes of this Act and relating to  
25                  applicants' participation in training, education, and

1 recruitment programs that are organized in cooperation  
2 with Illinois colleges and universities or labor  
3 organizations designed to promote and encourage the  
4 training and hiring of Illinois residents who represent  
5 the diversity of the Illinois population;

6 (5) provide for sufficient personnel to permit  
7 administrative, staffing, operating, and related support  
8 required to adequately discharge the Department's duties  
9 and responsibilities under this Act from funds as may be  
10 appropriated by the General Assembly for the  
11 administration of this Act; and

12 (6) require that the applicant at all times keep  
13 proper books and records of accounts relating to the tax  
14 credit award, in accordance with generally accepted  
15 accounting principles consistently applied, and make those  
16 books and records available for reasonable Department  
17 inspection and audit, upon reasonable written request by  
18 the Department, during the applicant's normal business  
19 hours. Any documents or data made available to the  
20 Department or received by the Department from the  
21 applicant by any agent, employee, officer, or service  
22 provider shall be deemed confidential and shall not  
23 constitute public records to the extent that the documents  
24 or data consist of commercial or financial information  
25 regarding the operation by the applicant of any theater or  
26 any accredited theater production or any recipient of any

1 tax credit award under this Act.

2 Section 50-20. Application for certification of qualified  
3 music company. Any applicant that operates a qualified music  
4 company located in the State or is proposing to operate a  
5 qualified music company in the State may apply to the  
6 Department to have the qualified music company certified by  
7 the Department as a qualified music company.

8 Section 50-25. Review of applications for qualified music  
9 company certificates.

10 (a) The Department shall issue a qualified music company  
11 certificate to an applicant if it finds that a preponderance  
12 of the following conditions exists:

13 (1) the applicant is engaged directly or indirectly in  
14 the production, distribution, and promotion of music;

15 (2) the applicant intends to make the expenditure in  
16 the State required for certification of the qualified  
17 music company;

18 (3) the applicant's qualified music company is  
19 economically sound and will benefit the people of the  
20 State of Illinois by increasing opportunities for  
21 employment and will strengthen the economy of Illinois;

22 (4) the following requirements related to the  
23 implementation of a diversity plan have been met:

24 (A) the applicant has filed with the Department a

1 diversity plan outlining specific goals for hiring  
2 Illinois labor expenditure eligible minority persons  
3 and women, as defined in the Business Enterprise for  
4 Minorities, Women, and Persons with Disabilities Act,  
5 and for using vendors receiving certification under  
6 the Business Enterprise for Minorities, Women, and  
7 Persons with Disabilities Act;

8 (B) the Department has approved the plan as  
9 meeting the requirements established by the Department  
10 and verified that the applicant has met or made good  
11 faith efforts in achieving those goals; and

12 (C) the Department has adopted any rules that are  
13 necessary to ensure compliance with the provisions set  
14 forth in this paragraph (4) and any rules that are  
15 necessary to show that the applicant's plan reflects  
16 the diversity of the population of this State;

17 (5) the applicant's qualified music company  
18 application indicates whether the applicant intends to  
19 participate in training, education, and recruitment  
20 programs that are organized in cooperation with Illinois  
21 colleges and universities, labor organizations, and the  
22 holders of qualified music company certificates and are  
23 designed to promote and encourage the training and hiring  
24 of Illinois residents who represent the diversity of  
25 Illinois; and

26 (6) the tax credit award will result in an overall

1 positive impact to the State, as determined by the  
2 Department using the best available data.

3 (b) If any of the provisions in this Section conflict with  
4 any existing collective bargaining agreements, the terms and  
5 conditions of those collective bargaining agreements shall  
6 control.

7 (c) The Department shall act expeditiously regarding  
8 approval of applications for qualified music companies so as  
9 to accommodate the operations and needs of those companies.

10 Section 50-30. Training programs for skills in critical  
11 demand. To accomplish the purposes of this Act, the Department  
12 may use the training programs provided under Section 605-800  
13 of the Department of Commerce and Economic Opportunity Law of  
14 the Civil Administrative Code of Illinois.

15 Section 50-35. Issuance of tax credit award certificate.

16 (a) In order to qualify for a tax credit award under this  
17 Act, an applicant must file an application for each qualified  
18 music company at each of the applicant's qualified facilities,  
19 on forms prescribed by the Department, providing information  
20 necessary to calculate the tax credit award and any additional  
21 information as reasonably required by the Department.

22 (b) Upon satisfactory review of the application, the  
23 Department shall issue a tax credit award certificate stating  
24 the amount of the tax credit award to which the applicant is



1 entitled for that tax year and shall contemporaneously notify  
2 the applicant and the Department of Revenue.

3 (c) For tax years beginning on or after January 1, 2025, a  
4 taxpayer who has been awarded a tax credit under paragraph (b)  
5 of this Section is entitled to a credit against the taxes  
6 imposed under subsections (a) and (b) of Section 201 of the  
7 Illinois Income Tax Act.

8 Section 50-40. Amount and payment of the tax credit award.

9 (a) For taxable years beginning on or after January 1,  
10 2025, the Department may award tax credit awards to qualified  
11 music companies. The award may not exceed 10% of the Illinois  
12 labor expenditures for the State-certified production if the  
13 QMC payroll of the qualified music company for the taxable  
14 year does not exceed \$150,000 or 15% of the Illinois labor  
15 expenditures for the State-certified production if the QMC  
16 payroll of the qualified music company for the taxable year  
17 exceeds \$150,000, plus all of the following:

18 (1) an additional 15% of the Illinois labor  
19 expenditures for the State-certified production generated  
20 by the employment of Illinois residents in geographic  
21 areas of high poverty or high unemployment in each tax  
22 year, as determined by the Department; and

23 (2) an additional 7% of the Illinois labor  
24 expenditures for the State-certified production generated  
25 by the employment of individuals who are employed at a

1 wage of no less than the general prevailing hourly rate as  
2 paid for work of a similar character in the locality in  
3 which the work is performed; and

4 (3) an additional 7% of the Illinois labor  
5 expenditures for the State-certified production incurred  
6 by a qualified music company and spent on post-production  
7 sound recording for television or film work completed in  
8 Illinois.

9 (b) To the extent that the base investment by a qualified  
10 music company is expended on a sound recording production of a  
11 resident copyright, the investor shall be allowed an  
12 additional 10% increase in the base investment rate.

13 (c) The aggregate amount of credits certified for all  
14 investors pursuant to this Section during any calendar year  
15 shall not exceed \$2,000,000. No more than \$200,000 in tax  
16 credits may be granted per calendar year for any single  
17 qualified music company.

18 (d) A business is eligible for participation in the  
19 program if the business meets all of the following criteria:

20 (1) The business is engaged directly or indirectly in  
21 the production, distribution, and promotion of music.

22 (2) The business is approved by the Director of  
23 Commerce and Economic Opportunity.

24 (e) Upon approval of a tax credit award under this Act, the  
25 Department shall issue a tax credit certificate to the  
26 applicant.

1 Section 50-45. Qualified music program evaluation and  
2 reports.

3 (a) The Department's qualified music program tax credit  
4 award evaluation must include:

5 (1) an assessment of the effectiveness of the program  
6 in creating and retaining new jobs in Illinois;

7 (2) an assessment of the revenue impact of the  
8 program;

9 (3) in the discretion of the Department, a review of  
10 the practices and experiences of other states or nations  
11 with similar programs; and

12 (4) an assessment of the overall success of the  
13 program.

14 The Department may make a recommendation to extend, modify, or  
15 not extend the program based on the evaluation.

16 (b) At the end of each fiscal quarter, the Department  
17 shall submit to the General Assembly a report that includes,  
18 without limitation:

19 (1) an assessment of the economic impact of the  
20 program, including the number of jobs created and  
21 retained, and whether the job positions are entry level,  
22 management, vendor, or production related;

23 (2) the amount of qualified music company spending  
24 brought to Illinois, including the amount of spending and  
25 type of Illinois vendors hired in connection with a

1 qualified music company; and

2 (3) a determination of whether those receiving  
3 qualifying Illinois labor expenditure salaries or wages  
4 reflect the geographic, racial and ethnic, gender, and  
5 income level diversity of the State of Illinois.

6 (c) At the end of each fiscal year, the Department shall  
7 submit to the General Assembly a report that includes, without  
8 limitation:

9 (1) the identification of each vendor that provided  
10 goods or services that were included in a qualified music  
11 company's Illinois spending;

12 (2) a statement of the amount paid to each identified  
13 vendor by the qualified music program and whether the  
14 vendor is a minority-owned or women-owned business as  
15 defined in Section 2 of the Business Enterprise for  
16 Minorities, Women, and Persons with Disabilities Act; and

17 (3) a description of the steps taken by the Department  
18 to encourage qualified music company to use vendors who  
19 are minority-owned or women-owned businesses.

20 Section 50-50. Program terms and conditions. Any  
21 documentary materials or data made available or received from  
22 an applicant by any agent or employee of the Department are  
23 confidential and are not public records to the extent that the  
24 materials or data consist of commercial or financial  
25 information regarding the operation of or the production of

1 the applicant or recipient of any tax credit award under this  
2 Act.

3 ARTICLE 52.

4 Section 52-3. The Freedom of Information Act is amended by  
5 changing Section 7.5 as follows:

6 (5 ILCS 140/7.5)

7 (Text of Section before amendment by P.A. 103-472)

8 Sec. 7.5. Statutory exemptions. To the extent provided for  
9 by the statutes referenced below, the following shall be  
10 exempt from inspection and copying:

11 (a) All information determined to be confidential  
12 under Section 4002 of the Technology Advancement and  
13 Development Act.

14 (b) Library circulation and order records identifying  
15 library users with specific materials under the Library  
16 Records Confidentiality Act.

17 (c) Applications, related documents, and medical  
18 records received by the Experimental Organ Transplantation  
19 Procedures Board and any and all documents or other  
20 records prepared by the Experimental Organ Transplantation  
21 Procedures Board or its staff relating to applications it  
22 has received.

23 (d) Information and records held by the Department of

1 Public Health and its authorized representatives relating  
2 to known or suspected cases of sexually transmissible  
3 disease or any information the disclosure of which is  
4 restricted under the Illinois Sexually Transmissible  
5 Disease Control Act.

6 (e) Information the disclosure of which is exempted  
7 under Section 30 of the Radon Industry Licensing Act.

8 (f) Firm performance evaluations under Section 55 of  
9 the Architectural, Engineering, and Land Surveying  
10 Qualifications Based Selection Act.

11 (g) Information the disclosure of which is restricted  
12 and exempted under Section 50 of the Illinois Prepaid  
13 Tuition Act.

14 (h) Information the disclosure of which is exempted  
15 under the State Officials and Employees Ethics Act, and  
16 records of any lawfully created State or local inspector  
17 general's office that would be exempt if created or  
18 obtained by an Executive Inspector General's office under  
19 that Act.

20 (i) Information contained in a local emergency energy  
21 plan submitted to a municipality in accordance with a  
22 local emergency energy plan ordinance that is adopted  
23 under Section 11-21.5-5 of the Illinois Municipal Code.

24 (j) Information and data concerning the distribution  
25 of surcharge moneys collected and remitted by carriers  
26 under the Emergency Telephone System Act.

1           (k) Law enforcement officer identification information  
2           or driver identification information compiled by a law  
3           enforcement agency or the Department of Transportation  
4           under Section 11-212 of the Illinois Vehicle Code.

5           (l) Records and information provided to a residential  
6           health care facility resident sexual assault and death  
7           review team or the Executive Council under the Abuse  
8           Prevention Review Team Act.

9           (m) Information provided to the predatory lending  
10          database created pursuant to Article 3 of the Residential  
11          Real Property Disclosure Act, except to the extent  
12          authorized under that Article.

13          (n) Defense budgets and petitions for certification of  
14          compensation and expenses for court appointed trial  
15          counsel as provided under Sections 10 and 15 of the  
16          Capital Crimes Litigation Act (repealed). This subsection  
17          (n) shall apply until the conclusion of the trial of the  
18          case, even if the prosecution chooses not to pursue the  
19          death penalty prior to trial or sentencing.

20          (o) Information that is prohibited from being  
21          disclosed under Section 4 of the Illinois Health and  
22          Hazardous Substances Registry Act.

23          (p) Security portions of system safety program plans,  
24          investigation reports, surveys, schedules, lists, data, or  
25          information compiled, collected, or prepared by or for the  
26          Department of Transportation under Sections 2705-300 and

1 2705-616 of the Department of Transportation Law of the  
2 Civil Administrative Code of Illinois, the Regional  
3 Transportation Authority under Section 2.11 of the  
4 Regional Transportation Authority Act, or the St. Clair  
5 County Transit District under the Bi-State Transit Safety  
6 Act (repealed).

7 (q) Information prohibited from being disclosed by the  
8 Personnel Record Review Act.

9 (r) Information prohibited from being disclosed by the  
10 Illinois School Student Records Act.

11 (s) Information the disclosure of which is restricted  
12 under Section 5-108 of the Public Utilities Act.

13 (t) (Blank).

14 (u) Records and information provided to an independent  
15 team of experts under the Developmental Disability and  
16 Mental Health Safety Act (also known as Brian's Law).

17 (v) Names and information of people who have applied  
18 for or received Firearm Owner's Identification Cards under  
19 the Firearm Owners Identification Card Act or applied for  
20 or received a concealed carry license under the Firearm  
21 Concealed Carry Act, unless otherwise authorized by the  
22 Firearm Concealed Carry Act; and databases under the  
23 Firearm Concealed Carry Act, records of the Concealed  
24 Carry Licensing Review Board under the Firearm Concealed  
25 Carry Act, and law enforcement agency objections under the  
26 Firearm Concealed Carry Act.



1 (v-5) Records of the Firearm Owner's Identification  
2 Card Review Board that are exempted from disclosure under  
3 Section 10 of the Firearm Owners Identification Card Act.

4 (w) Personally identifiable information which is  
5 exempted from disclosure under subsection (g) of Section  
6 19.1 of the Toll Highway Act.

7 (x) Information which is exempted from disclosure  
8 under Section 5-1014.3 of the Counties Code or Section  
9 8-11-21 of the Illinois Municipal Code.

10 (y) Confidential information under the Adult  
11 Protective Services Act and its predecessor enabling  
12 statute, the Elder Abuse and Neglect Act, including  
13 information about the identity and administrative finding  
14 against any caregiver of a verified and substantiated  
15 decision of abuse, neglect, or financial exploitation of  
16 an eligible adult maintained in the Registry established  
17 under Section 7.5 of the Adult Protective Services Act.

18 (z) Records and information provided to a fatality  
19 review team or the Illinois Fatality Review Team Advisory  
20 Council under Section 15 of the Adult Protective Services  
21 Act.

22 (aa) Information which is exempted from disclosure  
23 under Section 2.37 of the Wildlife Code.

24 (bb) Information which is or was prohibited from  
25 disclosure by the Juvenile Court Act of 1987.

26 (cc) Recordings made under the Law Enforcement

1 Officer-Worn Body Camera Act, except to the extent  
2 authorized under that Act.

3 (dd) Information that is prohibited from being  
4 disclosed under Section 45 of the Condominium and Common  
5 Interest Community Ombudsperson Act.

6 (ee) Information that is exempted from disclosure  
7 under Section 30.1 of the Pharmacy Practice Act.

8 (ff) Information that is exempted from disclosure  
9 under the Revised Uniform Unclaimed Property Act.

10 (gg) Information that is prohibited from being  
11 disclosed under Section 7-603.5 of the Illinois Vehicle  
12 Code.

13 (hh) Records that are exempt from disclosure under  
14 Section 1A-16.7 of the Election Code.

15 (ii) Information which is exempted from disclosure  
16 under Section 2505-800 of the Department of Revenue Law of  
17 the Civil Administrative Code of Illinois.

18 (jj) Information and reports that are required to be  
19 submitted to the Department of Labor by registering day  
20 and temporary labor service agencies but are exempt from  
21 disclosure under subsection (a-1) of Section 45 of the Day  
22 and Temporary Labor Services Act.

23 (kk) Information prohibited from disclosure under the  
24 Seizure and Forfeiture Reporting Act.

25 (ll) Information the disclosure of which is restricted  
26 and exempted under Section 5-30.8 of the Illinois Public

1 Aid Code.

2 (mm) Records that are exempt from disclosure under  
3 Section 4.2 of the Crime Victims Compensation Act.

4 (nn) Information that is exempt from disclosure under  
5 Section 70 of the Higher Education Student Assistance Act.

6 (oo) Communications, notes, records, and reports  
7 arising out of a peer support counseling session  
8 prohibited from disclosure under the First Responders  
9 Suicide Prevention Act.

10 (pp) Names and all identifying information relating to  
11 an employee of an emergency services provider or law  
12 enforcement agency under the First Responders Suicide  
13 Prevention Act.

14 (qq) Information and records held by the Department of  
15 Public Health and its authorized representatives collected  
16 under the Reproductive Health Act.

17 (rr) Information that is exempt from disclosure under  
18 the Cannabis Regulation and Tax Act.

19 (ss) Data reported by an employer to the Department of  
20 Human Rights pursuant to Section 2-108 of the Illinois  
21 Human Rights Act.

22 (tt) Recordings made under the Children's Advocacy  
23 Center Act, except to the extent authorized under that  
24 Act.

25 (uu) Information that is exempt from disclosure under  
26 Section 50 of the Sexual Assault Evidence Submission Act.

1           (vv) Information that is exempt from disclosure under  
2 subsections (f) and (j) of Section 5-36 of the Illinois  
3 Public Aid Code.

4           (wv) Information that is exempt from disclosure under  
5 Section 16.8 of the State Treasurer Act.

6           (xx) Information that is exempt from disclosure or  
7 information that shall not be made public under the  
8 Illinois Insurance Code.

9           (yy) Information prohibited from being disclosed under  
10 the Illinois Educational Labor Relations Act.

11           (zz) Information prohibited from being disclosed under  
12 the Illinois Public Labor Relations Act.

13           (aaa) Information prohibited from being disclosed  
14 under Section 1-167 of the Illinois Pension Code.

15           (bbb) Information that is prohibited from disclosure  
16 by the Illinois Police Training Act and the Illinois State  
17 Police Act.

18           (ccc) Records exempt from disclosure under Section  
19 2605-304 of the Illinois State Police Law of the Civil  
20 Administrative Code of Illinois.

21           (ddd) Information prohibited from being disclosed  
22 under Section 35 of the Address Confidentiality for  
23 Victims of Domestic Violence, Sexual Assault, Human  
24 Trafficking, or Stalking Act.

25           (eee) Information prohibited from being disclosed  
26 under subsection (b) of Section 75 of the Domestic

1 Violence Fatality Review Act.

2 (fff) Images from cameras under the Expressway Camera  
3 Act. This subsection (fff) is inoperative on and after  
4 July 1, 2025.

5 (ggg) Information prohibited from disclosure under  
6 paragraph (3) of subsection (a) of Section 14 of the Nurse  
7 Agency Licensing Act.

8 (hhh) Information submitted to the Illinois State  
9 Police in an affidavit or application for an assault  
10 weapon endorsement, assault weapon attachment endorsement,  
11 .50 caliber rifle endorsement, or .50 caliber cartridge  
12 endorsement under the Firearm Owners Identification Card  
13 Act.

14 (iii) Data exempt from disclosure under Section 50 of  
15 the School Safety Drill Act.

16 (jjj) ~~(hhh)~~ Information exempt from disclosure under  
17 Section 30 of the Insurance Data Security Law.

18 (kkk) ~~(iii)~~ Confidential business information  
19 prohibited from disclosure under Section 45 of the Paint  
20 Stewardship Act.

21 (lll) (Reserved).

22 (mmm) ~~(iii)~~ Information prohibited from being  
23 disclosed under subsection (e) of Section 1-129 of the  
24 Illinois Power Agency Act.

25 (nnn) Materials received by the Department of Commerce  
26 and Economic Opportunity that are confidential under the

1           Music and Musicians Tax Credit and Jobs Act.

2           (Source: P.A. 102-36, eff. 6-25-21; 102-237, eff. 1-1-22;  
3           102-292, eff. 1-1-22; 102-520, eff. 8-20-21; 102-559, eff.  
4           8-20-21; 102-813, eff. 5-13-22; 102-946, eff. 7-1-22;  
5           102-1042, eff. 6-3-22; 102-1116, eff. 1-10-23; 103-8, eff.  
6           6-7-23; 103-34, eff. 6-9-23; 103-142, eff. 1-1-24; 103-372,  
7           eff. 1-1-24; 103-508, eff. 8-4-23; 103-580, eff. 12-8-23;  
8           revised 1-2-24.)

9           (Text of Section after amendment by P.A. 103-472)

10           Sec. 7.5. Statutory exemptions. To the extent provided for  
11           by the statutes referenced below, the following shall be  
12           exempt from inspection and copying:

13                   (a) All information determined to be confidential  
14                   under Section 4002 of the Technology Advancement and  
15                   Development Act.

16                   (b) Library circulation and order records identifying  
17                   library users with specific materials under the Library  
18                   Records Confidentiality Act.

19                   (c) Applications, related documents, and medical  
20                   records received by the Experimental Organ Transplantation  
21                   Procedures Board and any and all documents or other  
22                   records prepared by the Experimental Organ Transplantation  
23                   Procedures Board or its staff relating to applications it  
24                   has received.

25                   (d) Information and records held by the Department of

1 Public Health and its authorized representatives relating  
2 to known or suspected cases of sexually transmissible  
3 disease or any information the disclosure of which is  
4 restricted under the Illinois Sexually Transmissible  
5 Disease Control Act.

6 (e) Information the disclosure of which is exempted  
7 under Section 30 of the Radon Industry Licensing Act.

8 (f) Firm performance evaluations under Section 55 of  
9 the Architectural, Engineering, and Land Surveying  
10 Qualifications Based Selection Act.

11 (g) Information the disclosure of which is restricted  
12 and exempted under Section 50 of the Illinois Prepaid  
13 Tuition Act.

14 (h) Information the disclosure of which is exempted  
15 under the State Officials and Employees Ethics Act, and  
16 records of any lawfully created State or local inspector  
17 general's office that would be exempt if created or  
18 obtained by an Executive Inspector General's office under  
19 that Act.

20 (i) Information contained in a local emergency energy  
21 plan submitted to a municipality in accordance with a  
22 local emergency energy plan ordinance that is adopted  
23 under Section 11-21.5-5 of the Illinois Municipal Code.

24 (j) Information and data concerning the distribution  
25 of surcharge moneys collected and remitted by carriers  
26 under the Emergency Telephone System Act.

1           (k) Law enforcement officer identification information  
2           or driver identification information compiled by a law  
3           enforcement agency or the Department of Transportation  
4           under Section 11-212 of the Illinois Vehicle Code.

5           (l) Records and information provided to a residential  
6           health care facility resident sexual assault and death  
7           review team or the Executive Council under the Abuse  
8           Prevention Review Team Act.

9           (m) Information provided to the predatory lending  
10          database created pursuant to Article 3 of the Residential  
11          Real Property Disclosure Act, except to the extent  
12          authorized under that Article.

13          (n) Defense budgets and petitions for certification of  
14          compensation and expenses for court appointed trial  
15          counsel as provided under Sections 10 and 15 of the  
16          Capital Crimes Litigation Act (repealed). This subsection  
17          (n) shall apply until the conclusion of the trial of the  
18          case, even if the prosecution chooses not to pursue the  
19          death penalty prior to trial or sentencing.

20          (o) Information that is prohibited from being  
21          disclosed under Section 4 of the Illinois Health and  
22          Hazardous Substances Registry Act.

23          (p) Security portions of system safety program plans,  
24          investigation reports, surveys, schedules, lists, data, or  
25          information compiled, collected, or prepared by or for the  
26          Department of Transportation under Sections 2705-300 and



1 2705-616 of the Department of Transportation Law of the  
2 Civil Administrative Code of Illinois, the Regional  
3 Transportation Authority under Section 2.11 of the  
4 Regional Transportation Authority Act, or the St. Clair  
5 County Transit District under the Bi-State Transit Safety  
6 Act (repealed).

7 (q) Information prohibited from being disclosed by the  
8 Personnel Record Review Act.

9 (r) Information prohibited from being disclosed by the  
10 Illinois School Student Records Act.

11 (s) Information the disclosure of which is restricted  
12 under Section 5-108 of the Public Utilities Act.

13 (t) (Blank).

14 (u) Records and information provided to an independent  
15 team of experts under the Developmental Disability and  
16 Mental Health Safety Act (also known as Brian's Law).

17 (v) Names and information of people who have applied  
18 for or received Firearm Owner's Identification Cards under  
19 the Firearm Owners Identification Card Act or applied for  
20 or received a concealed carry license under the Firearm  
21 Concealed Carry Act, unless otherwise authorized by the  
22 Firearm Concealed Carry Act; and databases under the  
23 Firearm Concealed Carry Act, records of the Concealed  
24 Carry Licensing Review Board under the Firearm Concealed  
25 Carry Act, and law enforcement agency objections under the  
26 Firearm Concealed Carry Act.

1 (v-5) Records of the Firearm Owner's Identification  
2 Card Review Board that are exempted from disclosure under  
3 Section 10 of the Firearm Owners Identification Card Act.

4 (w) Personally identifiable information which is  
5 exempted from disclosure under subsection (g) of Section  
6 19.1 of the Toll Highway Act.

7 (x) Information which is exempted from disclosure  
8 under Section 5-1014.3 of the Counties Code or Section  
9 8-11-21 of the Illinois Municipal Code.

10 (y) Confidential information under the Adult  
11 Protective Services Act and its predecessor enabling  
12 statute, the Elder Abuse and Neglect Act, including  
13 information about the identity and administrative finding  
14 against any caregiver of a verified and substantiated  
15 decision of abuse, neglect, or financial exploitation of  
16 an eligible adult maintained in the Registry established  
17 under Section 7.5 of the Adult Protective Services Act.

18 (z) Records and information provided to a fatality  
19 review team or the Illinois Fatality Review Team Advisory  
20 Council under Section 15 of the Adult Protective Services  
21 Act.

22 (aa) Information which is exempted from disclosure  
23 under Section 2.37 of the Wildlife Code.

24 (bb) Information which is or was prohibited from  
25 disclosure by the Juvenile Court Act of 1987.

26 (cc) Recordings made under the Law Enforcement

1 Officer-Worn Body Camera Act, except to the extent  
2 authorized under that Act.

3 (dd) Information that is prohibited from being  
4 disclosed under Section 45 of the Condominium and Common  
5 Interest Community Ombudsperson Act.

6 (ee) Information that is exempted from disclosure  
7 under Section 30.1 of the Pharmacy Practice Act.

8 (ff) Information that is exempted from disclosure  
9 under the Revised Uniform Unclaimed Property Act.

10 (gg) Information that is prohibited from being  
11 disclosed under Section 7-603.5 of the Illinois Vehicle  
12 Code.

13 (hh) Records that are exempt from disclosure under  
14 Section 1A-16.7 of the Election Code.

15 (ii) Information which is exempted from disclosure  
16 under Section 2505-800 of the Department of Revenue Law of  
17 the Civil Administrative Code of Illinois.

18 (jj) Information and reports that are required to be  
19 submitted to the Department of Labor by registering day  
20 and temporary labor service agencies but are exempt from  
21 disclosure under subsection (a-1) of Section 45 of the Day  
22 and Temporary Labor Services Act.

23 (kk) Information prohibited from disclosure under the  
24 Seizure and Forfeiture Reporting Act.

25 (ll) Information the disclosure of which is restricted  
26 and exempted under Section 5-30.8 of the Illinois Public

1 Aid Code.

2 (mm) Records that are exempt from disclosure under  
3 Section 4.2 of the Crime Victims Compensation Act.

4 (nn) Information that is exempt from disclosure under  
5 Section 70 of the Higher Education Student Assistance Act.

6 (oo) Communications, notes, records, and reports  
7 arising out of a peer support counseling session  
8 prohibited from disclosure under the First Responders  
9 Suicide Prevention Act.

10 (pp) Names and all identifying information relating to  
11 an employee of an emergency services provider or law  
12 enforcement agency under the First Responders Suicide  
13 Prevention Act.

14 (qq) Information and records held by the Department of  
15 Public Health and its authorized representatives collected  
16 under the Reproductive Health Act.

17 (rr) Information that is exempt from disclosure under  
18 the Cannabis Regulation and Tax Act.

19 (ss) Data reported by an employer to the Department of  
20 Human Rights pursuant to Section 2-108 of the Illinois  
21 Human Rights Act.

22 (tt) Recordings made under the Children's Advocacy  
23 Center Act, except to the extent authorized under that  
24 Act.

25 (uu) Information that is exempt from disclosure under  
26 Section 50 of the Sexual Assault Evidence Submission Act.

1           (vv) Information that is exempt from disclosure under  
2 subsections (f) and (j) of Section 5-36 of the Illinois  
3 Public Aid Code.

4           (wv) Information that is exempt from disclosure under  
5 Section 16.8 of the State Treasurer Act.

6           (xx) Information that is exempt from disclosure or  
7 information that shall not be made public under the  
8 Illinois Insurance Code.

9           (yy) Information prohibited from being disclosed under  
10 the Illinois Educational Labor Relations Act.

11           (zz) Information prohibited from being disclosed under  
12 the Illinois Public Labor Relations Act.

13           (aaa) Information prohibited from being disclosed  
14 under Section 1-167 of the Illinois Pension Code.

15           (bbb) Information that is prohibited from disclosure  
16 by the Illinois Police Training Act and the Illinois State  
17 Police Act.

18           (ccc) Records exempt from disclosure under Section  
19 2605-304 of the Illinois State Police Law of the Civil  
20 Administrative Code of Illinois.

21           (ddd) Information prohibited from being disclosed  
22 under Section 35 of the Address Confidentiality for  
23 Victims of Domestic Violence, Sexual Assault, Human  
24 Trafficking, or Stalking Act.

25           (eee) Information prohibited from being disclosed  
26 under subsection (b) of Section 75 of the Domestic

1 Violence Fatality Review Act.

2 (fff) Images from cameras under the Expressway Camera  
3 Act. This subsection (fff) is inoperative on and after  
4 July 1, 2025.

5 (ggg) Information prohibited from disclosure under  
6 paragraph (3) of subsection (a) of Section 14 of the Nurse  
7 Agency Licensing Act.

8 (hhh) Information submitted to the Illinois State  
9 Police in an affidavit or application for an assault  
10 weapon endorsement, assault weapon attachment endorsement,  
11 .50 caliber rifle endorsement, or .50 caliber cartridge  
12 endorsement under the Firearm Owners Identification Card  
13 Act.

14 (iii) Data exempt from disclosure under Section 50 of  
15 the School Safety Drill Act.

16 (jjj) ~~(hhh)~~ Information exempt from disclosure under  
17 Section 30 of the Insurance Data Security Law.

18 (kkk) ~~(iii)~~ Confidential business information  
19 prohibited from disclosure under Section 45 of the Paint  
20 Stewardship Act.

21 (lll) ~~(iii)~~ Data exempt from disclosure under Section  
22 2-3.196 of the School Code.

23 (mmm) ~~(iii)~~ Information prohibited from being  
24 disclosed under subsection (e) of Section 1-129 of the  
25 Illinois Power Agency Act.

26 (nnn) Materials received by the Department of Commerce

1 and Economic Opportunity that are confidential under the  
2 Music and Musicians Tax Credit and Jobs Act.

3 (Source: P.A. 102-36, eff. 6-25-21; 102-237, eff. 1-1-22;  
4 102-292, eff. 1-1-22; 102-520, eff. 8-20-21; 102-559, eff.  
5 8-20-21; 102-813, eff. 5-13-22; 102-946, eff. 7-1-22;  
6 102-1042, eff. 6-3-22; 102-1116, eff. 1-10-23; 103-8, eff.  
7 6-7-23; 103-34, eff. 6-9-23; 103-142, eff. 1-1-24; 103-372,  
8 eff. 1-1-24; 103-472, eff. 8-1-24; 103-508, eff. 8-4-23;  
9 103-580, eff. 12-8-23; revised 1-2-24.)

10 Section 52-5. The Illinois Income Tax Act is amended by  
11 adding Section 241 as follows:

12 (35 ILCS 5/241 new)

13 Sec. 241. Music and Musicians Tax Credits and Jobs Act.  
14 Taxpayers who have been awarded a credit under the Music and  
15 Musicians Tax Credits and Jobs Act are entitled to a credit  
16 against the taxes imposed by subsections (a) and (b) of  
17 Section 201 of this Act in an amount determined by the  
18 Department of Commerce and Economic Opportunity under that  
19 Act. The credit shall be claimed in the taxable year in which  
20 the tax credit award certificate is issued, and the  
21 certificate shall be attached to the return. If the taxpayer  
22 is a partnership or Subchapter S corporation, the credit shall  
23 be allowed to the partners or shareholders in accordance with  
24 the provisions of Section 251.





1 amount equal to 15% of qualified wages paid by the taxpayer  
2 during the taxable year to one or more Illinois residents who  
3 are qualified returning citizens. The total credit allowed to  
4 a taxpayer with respect to each qualified returning citizen  
5 ~~ex-offender~~ may not exceed \$1,500 for ~~all~~ taxable years ending  
6 on or before December 31, 2024. For taxable years ending on or  
7 after December 31, 2025, the total credit allowed to a  
8 taxpayer with respect to each qualified returning citizen may  
9 not exceed \$7,500. For taxable years ending on or after  
10 December 31, 2025, the total amount in credit that may be  
11 awarded under this Section may not exceed \$1,000,000 per  
12 taxable year. For taxable years ending before December 31,  
13 2023, for partners, shareholders of Subchapter S corporations,  
14 and owners of limited liability companies, if the liability  
15 company is treated as a partnership for purposes of federal  
16 and State income taxation, there shall be allowed a credit  
17 under this Section to be determined in accordance with the  
18 determination of income and distributive share of income under  
19 Sections 702 and 704 and Subchapter S of the Internal Revenue  
20 Code. For taxable years ending on or after December 31, 2023,  
21 partners and shareholders of subchapter S corporations are  
22 entitled to a credit under this Section as provided in Section  
23 251.

24 (b) For purposes of this Section, "qualified wages":

25 (1) includes only wages that are subject to federal  
26 unemployment tax under Section 3306 of the Internal

1 Revenue Code, without regard to any dollar limitation  
2 contained in that Section;

3 (2) does not include any amounts paid or incurred by  
4 an employer for any period to any qualified returning  
5 citizen ~~ex-offender~~ for whom the employer receives  
6 federally funded payments for on-the-job training of that  
7 qualified returning citizen ~~ex-offender~~ for that period;  
8 and

9 (3) includes only wages attributable to service  
10 rendered during the one-year period beginning with the day  
11 the qualified returning citizen ~~ex-offender~~ begins work  
12 for the employer.

13 If the taxpayer has received any payment from a program  
14 established under Section 482(e)(1) of the federal Social  
15 Security Act with respect to a qualified returning citizen  
16 ~~ex-offender~~, then, for purposes of calculating the credit  
17 under this Section, the amount of the qualified wages paid to  
18 that qualified ex-offender must be reduced by the amount of  
19 the payment.

20 (c) For purposes of this Section, "qualified returning  
21 citizen ~~ex-offender~~" means any person who:

22 (1) has been convicted of a crime in this State or of  
23 an offense in any other jurisdiction, not including any  
24 offense or attempted offense that would subject a person  
25 to registration under the Sex Offender Registration Act;

26 (2) was sentenced to a period of incarceration in an

1 Illinois adult correctional center; and

2 (3) was hired by the taxpayer within 3 years after  
3 being released from an Illinois adult correctional center  
4 if the credit is claimed for a taxable year beginning on or  
5 before January 1, 2024, or was hired by the taxpayer  
6 within 5 years after being released from an Illinois adult  
7 correctional center if the credit is claimed for a taxable  
8 year beginning on or after January 1, 2025.

9 (d) In no event shall a credit under this Section reduce  
10 the taxpayer's liability to less than zero. If the amount of  
11 the credit exceeds the tax liability for the year, the excess  
12 may be carried forward and applied to the tax liability of the  
13 5 taxable years following the excess credit year. The tax  
14 credit shall be applied to the earliest year for which there is  
15 a tax liability. If there are credits for more than one year  
16 that are available to offset a liability, the earlier credit  
17 shall be applied first.

18 (e) This Section is exempt from the provisions of Section  
19 250.

20 (Source: P.A. 103-396, eff. 1-1-24.)

21 ARTICLE 60.

22 Section 60-5. The Illinois Income Tax Act is amended by  
23 changing Section 234 as follows:

1 (35 ILCS 5/234)

2 Sec. 234. Volunteer emergency workers.

3 (a) For taxable years beginning on or after January 1,  
4 2023 and beginning prior to January 1, 2028, each individual  
5 who (i) serves as a volunteer emergency worker for at least 9  
6 months during the taxable year and (ii) does not receive  
7 compensation for his or her services as a volunteer emergency  
8 worker of more than \$5,000 for the taxable year may apply to  
9 the Department for a credit against the taxes imposed by  
10 subsections (a) and (b) of Section 201. The amount of the  
11 credit shall be \$500 per eligible individual. If a taxpayer  
12 described in this subsection (a) is a volunteer member of a  
13 county or municipal emergency services and disaster agency  
14 under the Illinois Emergency Management Agency Act, then the  
15 taxpayer must serve as a volunteer emergency worker with the  
16 county or municipal emergency services and disaster agency for  
17 at least 100 hours during the taxable year. The aggregate  
18 amount of all tax credits awarded by the Department under this  
19 Section in any calendar year may not exceed \$5,000,000.  
20 Credits shall be awarded on a first-come first-served basis.

21 (b) A credit under this Section may not reduce a  
22 taxpayer's liability to less than zero.

23 (c) By January 24 of each year, the Office of the State  
24 Fire Marshal shall provide the Department of Revenue an  
25 electronic file with the names of volunteer emergency workers,  
26 other than volunteer emergency workers who are volunteer

1 members of a county or municipal emergency services and  
2 disaster agency under the Illinois Emergency Management Agency  
3 Act, who (i) volunteered for at least 9 months during the  
4 immediately preceding calendar year, (ii) did not receive  
5 compensation for their services as a volunteer emergency  
6 worker of more than \$5,000 during the immediately preceding  
7 calendar year, and (iii) are registered with the Office of the  
8 State Fire Marshal as of January 12 of the current year as  
9 meeting the requirements of items (i) and (ii) for the  
10 immediately preceding calendar year. The chief of the fire  
11 department, fire protection district, or fire protection  
12 association shall be responsible for notifying the State Fire  
13 Marshal of the volunteer emergency workers who met the  
14 requirements of items (i) and (ii) during the immediately  
15 preceding calendar year by January 12 of the current year.  
16 Notification shall be required in the format required by the  
17 State Fire Marshal. The chief of the fire department, fire  
18 protection district, or fire protection association shall be  
19 responsible for the verification and accuracy of their  
20 submission to the State Fire Marshal under this subsection.

21 By January 24, 2025, and by January 24 of each year  
22 thereafter, the Illinois Emergency Management Agency and  
23 Office of Homeland Security shall provide the Department of  
24 Revenue an electronic file with the names of volunteer  
25 emergency workers who (A) volunteered with a county or  
26 municipal emergency services and disaster agency pursuant to

1 the Illinois Emergency Management Agency Act for at least 9  
2 months during the immediately preceding calendar year, (B) did  
3 not receive compensation for their services as a volunteer  
4 emergency worker of more than \$5,000 during the immediately  
5 preceding calendar year, (C) volunteered with a county or  
6 municipal emergency services and disaster agency pursuant to  
7 the Illinois Emergency Management Agency Act for at least 100  
8 hours during the immediately preceding calendar year, and (D)  
9 are registered with the Illinois Emergency Management Agency  
10 and Office of Homeland Security as of January 12 of the current  
11 year as meeting the requirements of items (A), (B), and (C) for  
12 the immediately preceding calendar year. The coordinator of  
13 the emergency services and disaster agency shall be  
14 responsible for notifying the Illinois Emergency Management  
15 Agency and Office of Homeland Security of the volunteer  
16 emergency workers who met the requirements of items (A), (B),  
17 and (C) during the immediately preceding calendar year by  
18 January 12 of the current year. Notification shall be in the  
19 format required by the Illinois Emergency Management Agency  
20 and Office of Homeland Security. The coordinator of the  
21 emergency services and disaster agency shall be responsible  
22 for the verification and accuracy of their submission to the  
23 Illinois Emergency Management Agency and Office of Homeland  
24 Security under this subsection.

25 (d) As used in this Section, "volunteer emergency worker"  
26 means a person who serves as a member, other than on a

1 full-time career basis, of a fire department, fire protection  
2 district, or fire protection association that has a Fire  
3 Department Identification Number issued by the Office of the  
4 State Fire Marshal and who does not serve as a member on a  
5 full-time career basis for another fire department, fire  
6 protection district, fire protection association, or  
7 governmental entity. For taxable years beginning on or after  
8 January 1, 2024, "volunteer emergency worker" also means a  
9 person who is a volunteer member of a county or municipal  
10 emergency services and disaster agency pursuant to the  
11 Illinois Emergency Management Agency Act.

12 (e) The Department shall adopt rules to implement and  
13 administer this Section, including rules concerning  
14 applications for the tax credit.

15 (Source: P.A. 103-9, eff. 6-7-23.)

16 ARTICLE 65.

17 Section 65-5. The Hotel Operators' Occupation Tax Act is  
18 amended by changing Sections 2, 3, 4, 5, and 6 and by adding  
19 Sections 3-2 and 3-3 as follows:

20 (35 ILCS 145/2) (from Ch. 120, par. 481b.32)

21 Sec. 2. Definitions. As used in this Act, unless the  
22 context otherwise requires:

23 (1) "Hotel" means any building or buildings in which the

1 public may, for a consideration, obtain living quarters,  
2 sleeping or housekeeping accommodations. The term includes,  
3 but is not limited to, inns, motels, tourist homes or courts,  
4 lodging houses, rooming houses and apartment houses, retreat  
5 centers, conference centers, and hunting lodges. For the  
6 purposes of re-renters of hotel rooms only, "hotel" does not  
7 include a short-term rental.

8 (2) "Operator" means any person engaged in the business of  
9 renting, leasing, or letting rooms in ~~operating~~ a hotel.

10 (3) "Occupancy" means the use or possession, or the right  
11 to the use or possession, of any room or rooms in a hotel for  
12 any purpose, or the right to the use or possession of the  
13 furnishings or to the services and accommodations accompanying  
14 the use and possession of the room or rooms.

15 (4) "Room" or "rooms" means any living quarters, sleeping  
16 or housekeeping accommodations.

17 (5) "Permanent resident" means any person who occupied or  
18 has the right to occupy any room or rooms, regardless of  
19 whether or not it is the same room or rooms, in a hotel for at  
20 least 30 consecutive days.

21 (6) "Rent" or "rental" means the consideration received  
22 for occupancy, valued in money, whether received in money or  
23 otherwise, including all receipts, cash, credits and property  
24 or services of any kind or nature. "Rent" or "rental" includes  
25 any fee, charge, or commission received from a guest by a  
26 re-renter of hotel rooms specifically in connection with the



1 re-rental of hotel rooms, but does not include any fee,  
2 charge, or commission received from a short-term rental by a  
3 hosting platform.

4 (7) "Department" means the Department of Revenue.

5 (8) "Person" means any natural individual, firm,  
6 partnership, association, joint stock company, joint  
7 adventure, public or private corporation, limited liability  
8 company, or a receiver, executor, trustee, guardian or other  
9 representative appointed by order of any court.

10 (9) "Re-renter of hotel rooms" means a person who is not  
11 employed by the hotel operator but who, either directly or  
12 indirectly, through agreements or arrangements with third  
13 parties, collects or processes the payment of rent for a hotel  
14 room located in this State and (i) obtains the right or  
15 authority to grant control of, access to, or occupancy of a  
16 hotel room in this State to a guest of the hotel or (ii)  
17 facilitates the booking of a hotel room located in this State.  
18 A person who obtains those rights or authorities is not  
19 considered a re-renter of a hotel room if the person operates  
20 under a shared hotel brand with the operator.

21 (10) "Hosting platform" or "platform" means a person who  
22 provides an online application, software, website, or system  
23 through which a short-term rental located in this State is  
24 advertised or held out to the public as available to rent for  
25 occupancy. For purposes of this definition, "short-term  
26 rental" means an owner-occupied, tenant-occupied, or

1 non-owner-occupied dwelling, including, but not limited to, an  
2 apartment, house, cottage, or condominium, located in this  
3 State, where: (i) at least one room in the dwelling is rented  
4 to an occupant for a period of less than 30 consecutive days;  
5 and (ii) all accommodations are reserved in advance; provided,  
6 however, that a dwelling shall be considered a single room if  
7 rented as such.

8 (11) "Shared hotel brand" means an identifying trademark  
9 that a hotel operator is expressly licensed to operate under  
10 in accordance with the terms of a hotel franchise or  
11 management agreement

12 (Source: P.A. 100-213, eff. 8-18-17.)

13 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

14 Sec. 3. Rate; exemptions.

15 (a) A tax is imposed upon hotel operators ~~persons engaged~~  
16 ~~in the business of renting, leasing or letting rooms in a hotel~~  
17 at the rate of 5% of 94% of the gross rental receipts from  
18 engaging in business as a hotel operator ~~such renting, leasing~~  
19 ~~or letting~~, excluding, however, from gross rental receipts,  
20 the proceeds of ~~such~~ renting, leasing or letting hotel rooms  
21 to permanent residents of a ~~that~~ hotel and proceeds from the  
22 tax imposed under subsection (c) of Section 13 of the  
23 Metropolitan Pier and Exposition Authority Act.

24 (b) There shall be imposed an additional tax upon hotel  
25 operators ~~persons engaged in the business of renting, leasing~~

1 ~~or letting rooms in a hotel~~ at the rate of 1% of 94% of the  
2 gross rental receipts received by the hotel operator from  
3 engaging in business as a hotel operator ~~from such renting,~~  
4 ~~leasing or letting,~~ excluding, however, from gross rental  
5 receipts, the proceeds of such renting, leasing or letting to  
6 permanent residents of that hotel and proceeds from the tax  
7 imposed under subsection (c) of Section 13 of the Metropolitan  
8 Pier and Exposition Authority Act.

9 (b-5) Beginning on July 1, 2024, if the renting, leasing,  
10 or letting of a hotel room is done through a re-renter of hotel  
11 rooms, then, subject to the provisions of Sections 3-2 and  
12 3-3, the re-renter is the hotel operator for the purposes of  
13 the taxes under subsections (a) and (b). If the re-renter is  
14 headquartered outside of this State and has no presence in  
15 this State other than its business as a re-renter, conducted  
16 remotely, then, subject to the provisions of Sections 3-2 and  
17 3-3, such re-renter is the hotel operator for the purposes of  
18 the taxes under subsections (a) and (b) if it meets one of the  
19 following thresholds:

20 (1) the cumulative gross receipts from rentals in  
21 Illinois by the re-renter of hotel rooms are \$100,000 or  
22 more; or

23 (2) the re-renter of hotel rooms cumulatively enters  
24 into 200 or more separate transactions for rentals in  
25 Illinois.

26 A re-renter of hotel rooms who is headquartered outside of

1 this State and has no presence in this State other than its  
2 business as a re-renter, conducted remotely, shall determine  
3 on a quarterly basis, ending on the last day of March, June,  
4 September, and December, whether he or she meets the threshold  
5 of either paragraph (1) or (2) of this subsection (b-5) for the  
6 preceding 12-month period. If such re-renter of hotel rooms  
7 meets the threshold of either paragraph (1) or (2) for a  
8 12-month period, he or she is subject to tax under this Act and  
9 is required to remit the tax imposed under this Act and file  
10 returns for the 12-month period beginning on the first day of  
11 the next month after he or she determines that he or she meets  
12 the threshold of paragraph (1) or (2). At the end of that  
13 12-month period, such re-renter of hotel rooms shall determine  
14 whether he or she continued to meet the threshold of either  
15 paragraph (1) or (2) during the preceding 12-month period. If  
16 he or she met the threshold in either paragraph (1) or (2) for  
17 the preceding 12-month period, he or she is a hotel operator in  
18 this State and is required to remit the tax imposed under this  
19 Act and file returns for the subsequent 12-month period. If,  
20 at the end of a 12-month period during which such re-renter is  
21 required to remit the tax imposed under this Act, the  
22 re-renter determines that he or she did not meet the threshold  
23 in either paragraph (1) or (2) during the preceding 12-month  
24 period, he or she shall subsequently determine on a quarterly  
25 basis, ending on the last day of March, June, September, and  
26 December, whether he or she meets the threshold of either

1 paragraph (1) or (2) for the preceding 12-month period.

2 (c) No funds received pursuant to this Act shall be used to  
3 advertise for or otherwise promote new competition in the  
4 hotel business.

5 (d) However, such tax is not imposed upon the privilege of  
6 engaging in any business in Interstate Commerce or otherwise,  
7 which business may not, under the Constitution and Statutes of  
8 the United States, be made the subject of taxation by this  
9 State. In addition, the tax is not imposed upon gross rental  
10 receipts for which the hotel operator is prohibited from  
11 obtaining reimbursement for the tax from the customer by  
12 reason of a federal treaty.

13 (d-5) On and after July 1, 2017, the tax imposed by this  
14 Act shall not apply to gross rental receipts received by an  
15 entity that is organized and operated exclusively for  
16 religious purposes and possesses an active Exemption  
17 Identification Number issued by the Department pursuant to the  
18 Retailers' Occupation Tax Act when acting as a hotel operator  
19 renting, leasing, or letting rooms:

20 (1) in furtherance of the purposes for which it is  
21 organized; or

22 (2) to entities that (i) are organized and operated  
23 exclusively for religious purposes, (ii) possess an active  
24 Exemption Identification Number issued by the Department  
25 pursuant to the Retailers' Occupation Tax Act, and (iii)  
26 rent the rooms in furtherance of the purposes for which

1           they are organized.

2           No gross rental receipts are exempt under paragraph (2) of  
3 this subsection (d-5) unless the hotel operator obtains the  
4 active Exemption Identification Number from the exclusively  
5 religious entity to whom it is renting and maintains that  
6 number in its books and records. Gross rental receipts from  
7 all rentals other than those described in items (1) or (2) of  
8 this subsection (d-5) are subject to the tax imposed by this  
9 Act unless otherwise exempt under this Act.

10           This subsection (d-5) is exempt from the sunset provisions  
11 of Section 3-5 of this Act.

12           (d-10) On and after July 1, 2023, the tax imposed by this  
13 Act shall not apply to gross rental receipts received from the  
14 renting, leasing, or letting of rooms to an entity that is  
15 organized and operated exclusively by an organization  
16 chartered by the United States Congress for the purpose of  
17 providing disaster relief and that possesses an active  
18 Exemption Identification Number issued by the Department  
19 pursuant to the Retailers' Occupation Tax Act if the renting,  
20 leasing, or letting of the rooms is in furtherance of the  
21 purposes for which the exempt organization is organized. This  
22 subsection (d-10) is exempt from the sunset provisions of  
23 Section 3-5 of this Act.

24           (e) Persons subject to the tax imposed by this Act may  
25 reimburse themselves for their tax liability under this Act by  
26 separately stating such tax as an additional charge, which

1 charge may be stated in combination, in a single amount, with  
2 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the  
3 Illinois Municipal Code, and Section 25.05-10 of "An Act to  
4 revise the law in relation to counties".

5 (f) If any hotel operator collects an amount (however  
6 designated) which purports to reimburse such operator for  
7 hotel operators' occupation tax liability measured by receipts  
8 which are not subject to hotel operators' occupation tax, or  
9 if any hotel operator, in collecting an amount (however  
10 designated) which purports to reimburse such operator for  
11 hotel operators' occupation tax liability measured by receipts  
12 which are subject to tax under this Act, collects more from the  
13 quest or re-renter ~~customer~~ than the operators' hotel  
14 operators' occupation tax liability in the transaction is, the  
15 quest or re-renter, as applicable, ~~customer~~ shall have a legal  
16 right to claim a refund of such amount from such operator.  
17 However, if such amount is not refunded to the quest or  
18 re-renter, as applicable, ~~customer~~ for any reason, the hotel  
19 operator is liable to pay such amount to the Department.

20 (Source: P.A. 103-9, eff. 6-7-23.)

21 (35 ILCS 145/3-2 new)

22 Sec. 3-2. No resale exemption; tax incurred by re-renters  
23 of hotel rooms. A hotel operator who rents, leases, or lets  
24 rooms subject to tax under this Act to a re-renter of hotel  
25 rooms incurs the tax under this Act on the gross rental

1 receipts it receives from that re-renter of hotel rooms and  
2 cannot claim any resale exemption. In such situations, the  
3 re-renter of hotel rooms incurs tax under this Act on its gross  
4 rental receipts as provided in Section 3 of this Act.

5 (35 ILCS 145/3-3 new)

6 Sec. 3-3. Re-renter of hotel rooms; credit for tax  
7 reimbursement. A re-renter of hotel rooms may take a credit  
8 against the tax it incurs on the rental of a hotel room under  
9 this Act for the amount it paid under subsection (e) of Section  
10 3 of this Act to a hotel operator as reimbursement for the tax  
11 incurred under this Act for the rental of that room for the  
12 purposes of re-rental.

13 (35 ILCS 145/4) (from Ch. 120, par. 481b.34)

14 Sec. 4. Books and records. Every operator shall keep  
15 separate books or records of his business as an operator so as  
16 to show the rents and occupancies taxable under this Act  
17 separately from his transactions not taxable under this Act.  
18 If any operator fails to keep such separate books or records,  
19 he shall be liable to tax at the rate designated in Section 3  
20 hereof upon the entire proceeds from his business ~~hotel~~. The  
21 Department may adopt rules that establish requirements,  
22 including record forms and formats, for records required to be  
23 kept and maintained by taxpayers. For purposes of this  
24 Section, "records" means all data maintained by the taxpayer,



1 including data on paper, microfilm, microfiche or any type of  
2 machine-sensible data compilation.

3 (Source: P.A. 88-480.)

4 (35 ILCS 145/5) (from Ch. 120, par. 481b.35)

5 Sec. 5. Certificate of registration; retailers' occupation  
6 tax registration provisions apply. It shall be unlawful for  
7 any person to engage in ~~the~~ business as a hotel operator ~~of~~  
8 ~~renting, leasing or letting rooms in a hotel~~ in this State  
9 without a certificate of registration from the Department.

10 All of the provisions of Sections 2a and 2b of the  
11 Retailers' Occupation Tax Act, in effect on the effective date  
12 of this Act, as subsequently amended, shall apply to persons  
13 in ~~the~~ business as hotel operators ~~of renting, leasing or~~  
14 ~~letting rooms in a hotel~~ in this State, to the same extent as  
15 if such provisions were included herein.

16 (Source: Laws 1961, p. 1728.)

17 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

18 Sec. 6. Returns; allocation of proceeds ~~Filing of returns~~  
19 ~~and distribution of revenue.~~ Except as provided hereinafter in  
20 this Section, on or before the last day of each calendar month,  
21 every person engaged as a hotel operator ~~in the business of~~  
22 ~~renting, leasing or letting rooms in a hotel~~ in this State  
23 during the preceding calendar month shall file a return with  
24 the Department, stating:

- 1           1. The name of the operator;
- 2           2. His residence address and the address of his  
3 principal place of business and the address of the  
4 principal place of business (if that is a different  
5 address) from which he engages in ~~the business~~ as a hotel  
6 operator of renting, leasing or letting rooms in a hotel  
7 in this State (including, if required by the Department,  
8 the address of each hotel from which rental receipts were  
9 received);
- 10          3. Total amount of rental receipts received by him  
11 during the preceding calendar month from engaging in  
12 business as a hotel operator ~~renting, leasing or letting~~  
13 ~~rooms~~ during such preceding calendar month;
- 14          4. Total amount of rental receipts received by him  
15 during the preceding calendar month from renting, leasing  
16 or letting rooms to permanent residents during such  
17 preceding calendar month;
- 18          5. Total amount of other exclusions from gross rental  
19 receipts allowed by this Act;
- 20          6. Gross rental receipts which were received by him  
21 during the preceding calendar month and upon the basis of  
22 which the tax is imposed;
- 23          7. The amount of tax due;
- 24          8. Credit for any reimbursement of tax paid by a  
25 re-renter of hotel rooms to hotel operators for rentals  
26 purchased for re-rental, as provided in Section 3-3 of

1           this Act;

2           9. ~~8.~~ Such other reasonable information as the  
3           Department may require.

4           If the operator's average monthly tax liability to the  
5           Department does not exceed \$200, the Department may authorize  
6           his returns to be filed on a quarter annual basis, with the  
7           return for January, February and March of a given year being  
8           due by April 30 of such year; with the return for April, May  
9           and June of a given year being due by July 31 of such year;  
10          with the return for July, August and September of a given year  
11          being due by October 31 of such year, and with the return for  
12          October, November and December of a given year being due by  
13          January 31 of the following year.

14          If the operator's average monthly tax liability to the  
15          Department does not exceed \$50, the Department may authorize  
16          his returns to be filed on an annual basis, with the return for  
17          a given year being due by January 31 of the following year.

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

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

1 business.

2 Where the same person has more than 1 business registered  
3 with the Department under separate registrations under this  
4 Act, such person shall not file each return that is due as a  
5 single return covering all such registered businesses, but  
6 shall file separate returns for each such registered business.

7 In his return, the operator shall determine the value of  
8 any consideration other than money received by him in  
9 connection with engaging in business as a hotel operator ~~the~~  
10 ~~renting, leasing or letting of rooms in the course of his~~  
11 ~~business~~ and he shall include such value in his return. Such  
12 determination shall be subject to review and revision by the  
13 Department in the manner hereinafter provided for the  
14 correction of returns.

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

19 The person filing the return herein provided for shall, at  
20 the time of filing such return, pay to the Department the  
21 amount of tax herein imposed. The operator filing the return  
22 under this Section shall, at the time of filing such return,  
23 pay to the Department the amount of tax imposed by this Act  
24 less a discount of 2.1% or \$25 per calendar year, whichever is  
25 greater, which is allowed to reimburse the operator for the  
26 expenses incurred in keeping records, preparing and filing

1 returns, remitting the tax and supplying data to the  
2 Department on request.

3 If any payment provided for in this Section exceeds the  
4 operator's liabilities under this Act, as shown on an original  
5 return, the Department may authorize the operator to credit  
6 such excess payment against liability subsequently to be  
7 remitted to the Department under this Act, in accordance with  
8 reasonable rules adopted by the Department. If the Department  
9 subsequently determines that all or any part of the credit  
10 taken was not actually due to the operator, the operator's  
11 discount shall be reduced by an amount equal to the difference  
12 between the discount as applied to the credit taken and that  
13 actually due, and that operator shall be liable for penalties  
14 and interest on such difference.

15 There shall be deposited into the Build Illinois Fund in  
16 the State Treasury for each State fiscal year 40% of the amount  
17 of total net revenue from the tax imposed by subsection (a) of  
18 Section 3. Of the remaining 60%: (i) \$5,000,000 shall be  
19 deposited into the Illinois Sports Facilities Fund and  
20 credited to the Subsidy Account each fiscal year by making  
21 monthly deposits in the amount of 1/8 of \$5,000,000 plus  
22 cumulative deficiencies in such deposits for prior months, and  
23 (ii) an amount equal to the then applicable Advance Amount  
24 shall be deposited into the Illinois Sports Facilities Fund  
25 and credited to the Advance Account each fiscal year by making  
26 monthly deposits in the amount of 1/8 of the then applicable

1 Advance Amount plus any cumulative deficiencies in such  
2 deposits for prior months. (The deposits of the then  
3 applicable Advance Amount during each fiscal year shall be  
4 treated as advances of funds to the Illinois Sports Facilities  
5 Authority for its corporate purposes to the extent paid to the  
6 Authority or its trustee and shall be repaid into the General  
7 Revenue Fund in the State Treasury by the State Treasurer on  
8 behalf of the Authority pursuant to Section 19 of the Illinois  
9 Sports Facilities Authority Act, as amended. If in any fiscal  
10 year the full amount of the then applicable Advance Amount is  
11 not repaid into the General Revenue Fund, then the deficiency  
12 shall be paid from the amount in the Local Government  
13 Distributive Fund that would otherwise be allocated to the  
14 City of Chicago under the State Revenue Sharing Act.)

15 For purposes of the foregoing paragraph, the term "Advance  
16 Amount" means, for fiscal year 2002, \$22,179,000, and for  
17 subsequent fiscal years through fiscal year 2033, 105.615% of  
18 the Advance Amount for the immediately preceding fiscal year,  
19 rounded up to the nearest \$1,000.

20 Of the remaining 60% of the amount of total net revenue  
21 beginning on August 1, 2011 through June 30, 2023, from the tax  
22 imposed by subsection (a) of Section 3 after all required  
23 deposits into the Illinois Sports Facilities Fund, an amount  
24 equal to 8% of the net revenue realized from this Act during  
25 the preceding month shall be deposited as follows: 18% of such  
26 amount shall be deposited into the Chicago Travel Industry

1 Promotion Fund for the purposes described in subsection (n) of  
2 Section 5 of the Metropolitan Pier and Exposition Authority  
3 Act and the remaining 82% of such amount shall be deposited  
4 into the Local Tourism Fund each month for purposes authorized  
5 by Section 605-705 of the Department of Commerce and Economic  
6 Opportunity Law. Beginning on August 1, 2011 and through June  
7 30, 2023, an amount equal to 4.5% of the net revenue realized  
8 from this Act during the preceding month shall be deposited as  
9 follows: 55% of such amount shall be deposited into the  
10 Chicago Travel Industry Promotion Fund for the purposes  
11 described in subsection (n) of Section 5 of the Metropolitan  
12 Pier and Exposition Authority Act and the remaining 45% of  
13 such amount deposited into the International Tourism Fund for  
14 the purposes authorized in Section 605-707 of the Department  
15 of Commerce and Economic Opportunity Law. "Net revenue  
16 realized" means the revenue collected by the State under this  
17 Act less the amount paid out as refunds to taxpayers for  
18 overpayment of liability under this Act.

19 Beginning on July 1, 2023, of the remaining 60% of the  
20 amount of total net revenue realized from the tax imposed  
21 under subsection (a) of Section 3, after all required deposits  
22 into the Illinois Sports Facilities Fund:

23 (1) an amount equal to 8% of the net revenue realized  
24 under this Act for the preceding month shall be deposited  
25 as follows: 82% to the Local Tourism Fund and 18% to the  
26 Chicago Travel Industry Promotion Fund; and

1           (2) an amount equal to 4.5% of the net revenue  
2 realized under this Act for the preceding month shall be  
3 deposited as follows: 55% to the Chicago Travel Industry  
4 Promotion Fund and 45% to the International Tourism Fund.

5           After making all these deposits, any remaining net revenue  
6 realized from the tax imposed under subsection (a) of Section  
7 3 shall be deposited into the Tourism Promotion Fund in the  
8 State Treasury. All moneys received by the Department from the  
9 additional tax imposed under subsection (b) of Section 3 shall  
10 be deposited into the Build Illinois Fund in the State  
11 Treasury.

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



1 by such return and any additional reasonable information which  
2 the Department deems would be helpful in determining the  
3 accuracy of the monthly, quarterly or annual tax returns by  
4 such operator as hereinbefore provided for in this Section.

5 If the annual information return required by this Section  
6 is not filed when and as required the taxpayer shall be liable  
7 for a penalty in an amount determined in accordance with  
8 Section 3-4 of the Uniform Penalty and Interest Act until such  
9 return is filed as required, the penalty to be assessed and  
10 collected in the same manner as any other penalty provided for  
11 in this Act.

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

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

24 (Source: P.A. 102-16, eff. 6-17-21; 103-8, eff. 6-7-23.)

25 Section 65-10. The Illinois Municipal Code is amended by

1 changing Section 8-3-13 as follows:

2 (65 ILCS 5/8-3-13) (from Ch. 24, par. 8-3-13)

3 Sec. 8-3-13. The corporate authorities of any municipality  
4 containing 500,000 or more inhabitants may impose a tax prior  
5 to July 1, 1969, upon all hotel operators ~~persons engaged~~ in  
6 the municipality ~~in the business of renting, leasing or~~  
7 ~~letting rooms in a hotel~~, as defined in the Hotel Operators'  
8 Occupation Tax Act, at a rate not to exceed 1% of the gross  
9 rental receipts from engaging in business as a hotel operator  
10 ~~the renting, leasing or letting~~, excluding, however, from  
11 gross rental receipts, the proceeds of the renting, leasing or  
12 letting of hotel rooms to permanent residents of a ~~that~~ hotel  
13 and proceeds from the tax imposed under subsection (c) of  
14 Section 13 of the Metropolitan Pier and Exposition Authority  
15 Act.

16 The tax imposed by a municipality under this Section and  
17 all civil penalties that may be assessed as an incident  
18 thereof shall be collected and enforced by the State  
19 Department of Revenue. The certificate of registration that is  
20 issued by the Department to a lessor under the Hotel  
21 Operators' Occupation Tax Act shall permit the registrant to  
22 engage in a business that is taxable under any ordinance or  
23 resolution enacted under this Section without registering  
24 separately with the Department under the ordinance or  
25 resolution or under this Section. The Department shall have

1 full power to administer and enforce this Section; to collect  
2 all taxes and penalties due hereunder; to dispose of taxes and  
3 penalties so collected in the manner provided in this Section;  
4 and to determine all rights to credit memoranda arising on  
5 account of the erroneous payment of tax or penalty hereunder.  
6 In the administration of and compliance with this Section, the  
7 Department and persons who are subject to this Section shall  
8 have the same rights, remedies, privileges, immunities, powers  
9 and duties, and be subject to the same conditions,  
10 restrictions, limitations, penalties and definitions of terms,  
11 and employ the same modes of procedure, as are prescribed in  
12 the Hotel Operators' Occupation Tax Act and the Uniform  
13 Penalty and Interest Act, as fully as if the provisions  
14 contained in those Acts were set forth herein.

15 Whenever the Department determines that a refund should be  
16 made under this Section to a claimant instead of issuing a  
17 credit memorandum, the Department shall notify the State  
18 Comptroller, who shall cause the warrant to be drawn for the  
19 amount specified, and to the person named, in the notification  
20 from the Department. The refund shall be paid by the State  
21 Treasurer out of the Illinois tourism tax fund.

22 Persons subject to any tax imposed under authority granted  
23 by this Section may reimburse themselves for their tax  
24 liability for that tax by separately stating the tax as an  
25 additional charge, which charge may be stated in combination,  
26 in a single amount, with State tax imposed under the Hotel

1 Operators' Occupation Tax Act.

2 The Department shall forthwith pay over to the State  
3 Treasurer, ex-officio, as trustee, all taxes and penalties  
4 collected hereunder. On or before the 25th day of each  
5 calendar month, the Department shall prepare and certify to  
6 the Comptroller the disbursement of stated sums of money to  
7 named municipalities from which lessors have paid taxes or  
8 penalties hereunder to the Department during the second  
9 preceding calendar month. The amount to be paid to each  
10 municipality shall be the amount (not including credit  
11 memoranda) collected hereunder during the second preceding  
12 calendar month by the Department, and not including an amount  
13 equal to the amount of refunds made during the second  
14 preceding calendar month by the Department on behalf of the  
15 municipality, less 4% of the balance, which sum shall be  
16 retained by the State Treasurer to cover the costs incurred by  
17 the Department in administering and enforcing the provisions  
18 of this Section, as provided herein. The Department, at the  
19 time of each monthly disbursement to the municipalities, shall  
20 prepare and certify to the Comptroller the amount so retained  
21 by the State Treasurer, which shall be paid into the General  
22 Revenue Fund of the State Treasury.

23 Within 10 days after receipt by the Comptroller of the  
24 disbursement certification to the municipalities and the  
25 General Revenue Fund provided for in this Section to be given  
26 to the Comptroller by the Department, the Comptroller shall

1 cause the warrants to be drawn for the respective amounts in  
2 accordance with the directions contained in the certification.

3 Nothing in this Section shall be construed to authorize a  
4 municipality to impose a tax upon the privilege of engaging in  
5 any business that, under the Constitution of the United  
6 States, may not be made the subject of taxation by this State.

7 An ordinance or resolution imposing a tax hereunder or  
8 effecting a change in the rate thereof shall be effective on  
9 the first day of the calendar month next following the  
10 expiration of the publication period provided in Section 1-2-4  
11 in respect to municipalities governed by that Section.

12 The corporate authorities of any municipality that levies  
13 a tax authorized by this Section shall transmit to the  
14 Department of Revenue on or not later than 5 days after the  
15 effective date of the ordinance or resolution a certified copy  
16 of the ordinance or resolution imposing the tax; whereupon,  
17 the Department of Revenue shall proceed to administer and  
18 enforce this Section on behalf of the municipality as of the  
19 effective date of the ordinance or resolution. Upon a change  
20 in rate of a tax levied hereunder, or upon the discontinuance  
21 of the tax, the corporate authorities of the municipality  
22 shall, on or not later than 5 days after the effective date of  
23 the ordinance or resolution discontinuing the tax or effecting  
24 a change in rate, transmit to the Department of Revenue a  
25 certified copy of the ordinance or resolution effecting the  
26 change or discontinuance. The amounts disbursed to any

1 municipality under this Section shall be expended by the  
2 municipality solely to promote tourism, conventions and other  
3 special events within that municipality or otherwise to  
4 attract nonresidents to visit the municipality.

5 Any municipality receiving and disbursing money under this  
6 Section shall report on or before the first Monday in January  
7 of each year to the Advisory Committee of the Illinois Tourism  
8 Promotion Fund, created by Section 12 of the Illinois  
9 Promotion Act. The reports shall specify the purposes for  
10 which the disbursements were made and shall contain detailed  
11 amounts of all receipts and disbursements under this Section.

12 This Section may be cited as the Tourism, Conventions and  
13 Other Special Events Promotion Act of 1967.

14 (Source: P.A. 87-205; 87-733; 87-895.)

15 Section 65-15. The Metropolitan Pier and Exposition  
16 Authority Act is amended by changing Section 13 as follows:

17 (70 ILCS 210/13) (from Ch. 85, par. 1233)

18 Sec. 13. (a) The Authority shall not have power to levy  
19 taxes for any purpose, except as provided in subsections (b),  
20 (c), (d), (e), and (f).

21 (b) By ordinance the Authority shall, as soon as  
22 practicable after July 1, 1992 (the effective date of Public  
23 Act 87-733), impose a Metropolitan Pier and Exposition  
24 Authority Retailers' Occupation Tax upon all persons engaged

1 in the business of selling tangible personal property at  
2 retail within the territory described in this subsection at  
3 the rate of 1.0% of the gross receipts (i) from the sale of  
4 food, alcoholic beverages, and soft drinks sold for  
5 consumption on the premises where sold and (ii) from the sale  
6 of food, alcoholic beverages, and soft drinks sold for  
7 consumption off the premises where sold by a retailer whose  
8 principal source of gross receipts is from the sale of food,  
9 alcoholic beverages, and soft drinks prepared for immediate  
10 consumption.

11 The tax imposed under this subsection and all civil  
12 penalties that may be assessed as an incident to that tax shall  
13 be collected and enforced by the Illinois Department of  
14 Revenue. The Department shall have full power to administer  
15 and enforce this subsection, to collect all taxes and  
16 penalties so collected in the manner provided in this  
17 subsection, and to determine all rights to credit memoranda  
18 arising on account of the erroneous payment of tax or penalty  
19 under this subsection. In the administration of and compliance  
20 with this subsection, the Department and persons who are  
21 subject to this subsection shall have the same rights,  
22 remedies, privileges, immunities, powers, and duties, shall be  
23 subject to the same conditions, restrictions, limitations,  
24 penalties, exclusions, exemptions, and definitions of terms,  
25 and shall employ the same modes of procedure applicable to  
26 this Retailers' Occupation Tax as are prescribed in Sections

1 1, 2 through 2-65 (in respect to all provisions of those  
2 Sections other than the State rate of taxes), 2c, 2h, 2i, 3  
3 (except as to the disposition of taxes and penalties  
4 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a,  
5 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and, until January 1, 1994,  
6 13.5 of the Retailers' Occupation Tax Act, and, on and after  
7 January 1, 1994, all applicable provisions of the Uniform  
8 Penalty and Interest Act that are not inconsistent with this  
9 Act, as fully as if provisions contained in those Sections of  
10 the Retailers' Occupation Tax Act were set forth in this  
11 subsection.

12 Persons subject to any tax imposed under the authority  
13 granted in this subsection may reimburse themselves for their  
14 seller's tax liability under this subsection by separately  
15 stating that tax as an additional charge, which charge may be  
16 stated in combination, in a single amount, with State taxes  
17 that sellers are required to collect under the Use Tax Act,  
18 pursuant to bracket schedules as the Department may prescribe.  
19 The retailer filing the return shall, at the time of filing the  
20 return, pay to the Department the amount of tax imposed under  
21 this subsection, less a discount of 1.75%, which is allowed to  
22 reimburse the retailer for the expenses incurred in keeping  
23 records, preparing and filing returns, remitting the tax, and  
24 supplying data to the Department on request.

25 Whenever the Department determines that a refund should be  
26 made under this subsection to a claimant instead of issuing a



1 credit memorandum, the Department shall notify the State  
2 Comptroller, who shall cause a warrant to be drawn for the  
3 amount specified and to the person named in the notification  
4 from the Department. The refund shall be paid by the State  
5 Treasurer out of the Metropolitan Pier and Exposition  
6 Authority trust fund held by the State Treasurer as trustee  
7 for the Authority.

8 Nothing in this subsection authorizes the Authority to  
9 impose a tax upon the privilege of engaging in any business  
10 that under the Constitution of the United States may not be  
11 made the subject of taxation by this State.

12 The Department shall forthwith pay over to the State  
13 Treasurer, *ex officio*, as trustee for the Authority, all taxes  
14 and penalties collected under this subsection for deposit into  
15 a trust fund held outside of the State Treasury.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the  
18 Department of Revenue, the Comptroller shall order  
19 transferred, and the Treasurer shall transfer, to the STAR  
20 Bonds Revenue Fund the local sales tax increment, as defined  
21 in the Innovation Development and Economy Act, collected under  
22 this subsection during the second preceding calendar month for  
23 sales within a STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,  
25 on or before the 25th day of each calendar month, the  
26 Department shall prepare and certify to the Comptroller the

1 amounts to be paid under subsection (g) of this Section, which  
2 shall be the amounts, not including credit memoranda,  
3 collected under this subsection during the second preceding  
4 calendar month by the Department, less any amounts determined  
5 by the Department to be necessary for the payment of refunds,  
6 less 1.5% of such balance, which sum shall be deposited by the  
7 State Treasurer into the Tax Compliance and Administration  
8 Fund in the State Treasury from which it shall be appropriated  
9 to the Department to cover the costs of the Department in  
10 administering and enforcing the provisions of this subsection,  
11 and less any amounts that are transferred to the STAR Bonds  
12 Revenue Fund. Within 10 days after receipt by the Comptroller  
13 of the certification, the Comptroller shall cause the orders  
14 to be drawn for the remaining amounts, and the Treasurer shall  
15 administer those amounts as required in subsection (g).

16 A certificate of registration issued by the Illinois  
17 Department of Revenue to a retailer under the Retailers'  
18 Occupation Tax Act shall permit the registrant to engage in a  
19 business that is taxed under the tax imposed under this  
20 subsection, and no additional registration shall be required  
21 under the ordinance imposing the tax or under this subsection.

22 A certified copy of any ordinance imposing or  
23 discontinuing any tax under this subsection or effecting a  
24 change in the rate of that tax shall be filed with the  
25 Department, whereupon the Department shall proceed to  
26 administer and enforce this subsection on behalf of the

1 Authority as of the first day of the third calendar month  
2 following the date of filing.

3 The tax authorized to be levied under this subsection may  
4 be levied within all or any part of the following described  
5 portions of the metropolitan area:

6 (1) that portion of the City of Chicago located within  
7 the following area: Beginning at the point of intersection  
8 of the Cook County - DuPage County line and York Road, then  
9 North along York Road to its intersection with Touhy  
10 Avenue, then east along Touhy Avenue to its intersection  
11 with the Northwest Tollway, then southeast along the  
12 Northwest Tollway to its intersection with Lee Street,  
13 then south along Lee Street to Higgins Road, then south  
14 and east along Higgins Road to its intersection with  
15 Mannheim Road, then south along Mannheim Road to its  
16 intersection with Irving Park Road, then west along Irving  
17 Park Road to its intersection with the Cook County -  
18 DuPage County line, then north and west along the county  
19 line to the point of beginning; and

20 (2) that portion of the City of Chicago located within  
21 the following area: Beginning at the intersection of West  
22 55th Street with Central Avenue, then east along West 55th  
23 Street to its intersection with South Cicero Avenue, then  
24 south along South Cicero Avenue to its intersection with  
25 West 63rd Street, then west along West 63rd Street to its  
26 intersection with South Central Avenue, then north along

1 South Central Avenue to the point of beginning; and

2 (3) that portion of the City of Chicago located within  
3 the following area: Beginning at the point 150 feet west  
4 of the intersection of the west line of North Ashland  
5 Avenue and the north line of West Diversey Avenue, then  
6 north 150 feet, then east along a line 150 feet north of  
7 the north line of West Diversey Avenue extended to the  
8 shoreline of Lake Michigan, then following the shoreline  
9 of Lake Michigan (including Navy Pier and all other  
10 improvements fixed to land, docks, or piers) to the point  
11 where the shoreline of Lake Michigan and the Adlai E.  
12 Stevenson Expressway extended east to that shoreline  
13 intersect, then west along the Adlai E. Stevenson  
14 Expressway to a point 150 feet west of the west line of  
15 South Ashland Avenue, then north along a line 150 feet  
16 west of the west line of South and North Ashland Avenue to  
17 the point of beginning.

18 The tax authorized to be levied under this subsection may  
19 also be levied on food, alcoholic beverages, and soft drinks  
20 sold on boats and other watercraft departing from and  
21 returning to the shoreline of Lake Michigan (including Navy  
22 Pier and all other improvements fixed to land, docks, or  
23 piers) described in item (3).

24 (c) By ordinance the Authority shall, as soon as  
25 practicable after July 1, 1992 (the effective date of Public  
26 Act 87-733), impose an occupation tax upon all hotel operators

1 ~~persons engaged in the corporate limits of the City of Chicago~~  
2 ~~in the business of renting, leasing, or letting rooms in a~~  
3 ~~hotel,~~ as defined in the Hotel Operators' Occupation Tax Act,  
4 at a rate of 2.5% of the gross rental receipts from engaging in  
5 business as a hotel operator ~~the renting, leasing, or letting~~  
6 ~~of hotel rooms~~ within the City of Chicago, excluding, however,  
7 from gross rental receipts the proceeds of renting, leasing,  
8 or letting of hotel rooms to permanent residents of a hotel, as  
9 defined in that Act. Gross rental receipts shall not include  
10 charges that are added on account of the liability arising  
11 from any tax imposed by the State or any governmental agency on  
12 the occupation of renting, leasing, or letting rooms in a  
13 hotel.

14 The tax imposed by the Authority under this subsection and  
15 all civil penalties that may be assessed as an incident to that  
16 tax shall be collected and enforced by the Illinois Department  
17 of Revenue. The certificate of registration that is issued by  
18 the Department to a lessor under the Hotel Operators'  
19 Occupation Tax Act shall permit that registrant to engage in a  
20 business that is taxable under any ordinance enacted under  
21 this subsection without registering separately with the  
22 Department under that ordinance or under this subsection. The  
23 Department shall have full power to administer and enforce  
24 this subsection, to collect all taxes and penalties due under  
25 this subsection, to dispose of taxes and penalties so  
26 collected in the manner provided in this subsection, and to

1 determine all rights to credit memoranda arising on account of  
2 the erroneous payment of tax or penalty under this subsection.  
3 In the administration of and compliance with this subsection,  
4 the Department and persons who are subject to this subsection  
5 shall have the same rights, remedies, privileges, immunities,  
6 powers, and duties, shall be subject to the same conditions,  
7 restrictions, limitations, penalties, and definitions of  
8 terms, and shall employ the same modes of procedure as are  
9 prescribed in the Hotel Operators' Occupation Tax Act (except  
10 where that Act is inconsistent with this subsection), as fully  
11 as if the provisions contained in the Hotel Operators'  
12 Occupation Tax Act were set out in this subsection.

13 Whenever the Department determines that a refund should be  
14 made under this subsection to a claimant instead of issuing a  
15 credit memorandum, the Department shall notify the State  
16 Comptroller, who shall cause a warrant to be drawn for the  
17 amount specified and to the person named in the notification  
18 from the Department. The refund shall be paid by the State  
19 Treasurer out of the Metropolitan Pier and Exposition  
20 Authority trust fund held by the State Treasurer as trustee  
21 for the Authority.

22 Persons subject to any tax imposed under the authority  
23 granted in this subsection may reimburse themselves for their  
24 tax liability for that tax by separately stating that tax as an  
25 additional charge, which charge may be stated in combination,  
26 in a single amount, with State taxes imposed under the Hotel

1 Operators' Occupation Tax Act, the municipal tax imposed under  
2 Section 8-3-13 of the Illinois Municipal Code, and the tax  
3 imposed under Section 19 of the Illinois Sports Facilities  
4 Authority Act.

5 The person filing the return shall, at the time of filing  
6 the return, pay to the Department the amount of tax, less a  
7 discount of 2.1% or \$25 per calendar year, whichever is  
8 greater, which is allowed to reimburse the operator for the  
9 expenses incurred in keeping records, preparing and filing  
10 returns, remitting the tax, and supplying data to the  
11 Department on request.

12 Except as otherwise provided in this paragraph, the  
13 Department shall forthwith pay over to the State Treasurer, ex  
14 officio, as trustee for the Authority, all taxes and penalties  
15 collected under this subsection for deposit into a trust fund  
16 held outside the State Treasury. On or before the 25th day of  
17 each calendar month, the Department shall certify to the  
18 Comptroller the amounts to be paid under subsection (g) of  
19 this Section, which shall be the amounts (not including credit  
20 memoranda) collected under this subsection during the second  
21 preceding calendar month by the Department, less any amounts  
22 determined by the Department to be necessary for payment of  
23 refunds, less 1.5% of the remainder, which the Department  
24 shall transfer into the Tax Compliance and Administration  
25 Fund. The Department, at the time of each monthly disbursement  
26 to the Authority, shall prepare and certify to the State

1 Comptroller the amount to be transferred into the Tax  
2 Compliance and Administration Fund under this subsection.  
3 Within 10 days after receipt by the Comptroller of the  
4 Department's certification, the Comptroller shall cause the  
5 orders to be drawn for such amounts, and the Treasurer shall  
6 administer the amounts distributed to the Authority as  
7 required in subsection (g).

8 A certified copy of any ordinance imposing or  
9 discontinuing a tax under this subsection or effecting a  
10 change in the rate of that tax shall be filed with the Illinois  
11 Department of Revenue, whereupon the Department shall proceed  
12 to administer and enforce this subsection on behalf of the  
13 Authority as of the first day of the third calendar month  
14 following the date of filing.

15 (d) By ordinance the Authority shall, as soon as  
16 practicable after July 1, 1992 (the effective date of Public  
17 Act 87-733), impose a tax upon all persons engaged in the  
18 business of renting automobiles in the metropolitan area at  
19 the rate of 6% of the gross receipts from that business, except  
20 that no tax shall be imposed on the business of renting  
21 automobiles for use as taxicabs or in livery service. The tax  
22 imposed under this subsection and all civil penalties that may  
23 be assessed as an incident to that tax shall be collected and  
24 enforced by the Illinois Department of Revenue. The  
25 certificate of registration issued by the Department to a  
26 retailer under the Retailers' Occupation Tax Act or under the



1 Automobile Renting Occupation and Use Tax Act shall permit  
2 that person to engage in a business that is taxable under any  
3 ordinance enacted under this subsection without registering  
4 separately with the Department under that ordinance or under  
5 this subsection. The Department shall have full power to  
6 administer and enforce this subsection, to collect all taxes  
7 and penalties due under this subsection, to dispose of taxes  
8 and penalties so collected in the manner provided in this  
9 subsection, and to determine all rights to credit memoranda  
10 arising on account of the erroneous payment of tax or penalty  
11 under this subsection. In the administration of and compliance  
12 with this subsection, the Department and persons who are  
13 subject to this subsection shall have the same rights,  
14 remedies, privileges, immunities, powers, and duties, be  
15 subject to the same conditions, restrictions, limitations,  
16 penalties, and definitions of terms, and employ the same modes  
17 of procedure as are prescribed in Sections 2 and 3 (in respect  
18 to all provisions of those Sections other than the State rate  
19 of tax; and in respect to the provisions of the Retailers'  
20 Occupation Tax Act referred to in those Sections, except as to  
21 the disposition of taxes and penalties collected, except for  
22 the provision allowing retailers a deduction from the tax to  
23 cover certain costs, and except that credit memoranda issued  
24 under this subsection may not be used to discharge any State  
25 tax liability) of the Automobile Renting Occupation and Use  
26 Tax Act, as fully as if provisions contained in those Sections

1 of that Act were set forth in this subsection.

2 Persons subject to any tax imposed under the authority  
3 granted in this subsection may reimburse themselves for their  
4 tax liability under this subsection by separately stating that  
5 tax as an additional charge, which charge may be stated in  
6 combination, in a single amount, with State tax that sellers  
7 are required to collect under the Automobile Renting  
8 Occupation and Use Tax Act, pursuant to bracket schedules as  
9 the Department may prescribe.

10 Whenever the Department determines that a refund should be  
11 made under this subsection to a claimant instead of issuing a  
12 credit memorandum, the Department shall notify the State  
13 Comptroller, who shall cause a warrant to be drawn for the  
14 amount specified and to the person named in the notification  
15 from the Department. The refund shall be paid by the State  
16 Treasurer out of the Metropolitan Pier and Exposition  
17 Authority trust fund held by the State Treasurer as trustee  
18 for the Authority.

19 Except as otherwise provided in this paragraph, the  
20 Department shall forthwith pay over to the State Treasurer, ex  
21 officio, as trustee, all taxes and penalties collected under  
22 this subsection for deposit into a trust fund held outside the  
23 State Treasury. On or before the 25th day of each calendar  
24 month, the Department shall certify to the Comptroller the  
25 amounts to be paid under subsection (g) of this Section (not  
26 including credit memoranda) collected under this subsection

1 during the second preceding calendar month by the Department,  
2 less any amount determined by the Department to be necessary  
3 for payment of refunds, less 1.5% of the remainder, which the  
4 Department shall transfer into the Tax Compliance and  
5 Administration Fund. The Department, at the time of each  
6 monthly disbursement to the Authority, shall prepare and  
7 certify to the State Comptroller the amount to be transferred  
8 into the Tax Compliance and Administration Fund under this  
9 subsection. Within 10 days after receipt by the Comptroller of  
10 the Department's certification, the Comptroller shall cause  
11 the orders to be drawn for such amounts, and the Treasurer  
12 shall administer the amounts distributed to the Authority as  
13 required in subsection (g).

14 Nothing in this subsection authorizes the Authority to  
15 impose a tax upon the privilege of engaging in any business  
16 that under the Constitution of the United States may not be  
17 made the subject of taxation by this State.

18 A certified copy of any ordinance imposing or  
19 discontinuing a tax under this subsection or effecting a  
20 change in the rate of that tax shall be filed with the Illinois  
21 Department of Revenue, whereupon the Department shall proceed  
22 to administer and enforce this subsection on behalf of the  
23 Authority as of the first day of the third calendar month  
24 following the date of filing.

25 (e) By ordinance the Authority shall, as soon as  
26 practicable after July 1, 1992 (the effective date of Public

1 Act 87-733), impose a tax upon the privilege of using in the  
2 metropolitan area an automobile that is rented from a rentor  
3 outside Illinois and is titled or registered with an agency of  
4 this State's government at a rate of 6% of the rental price of  
5 that automobile, except that no tax shall be imposed on the  
6 privilege of using automobiles rented for use as taxicabs or  
7 in livery service. The tax shall be collected from persons  
8 whose Illinois address for titling or registration purposes is  
9 given as being in the metropolitan area. The tax shall be  
10 collected by the Department of Revenue for the Authority. The  
11 tax must be paid to the State or an exemption determination  
12 must be obtained from the Department of Revenue before the  
13 title or certificate of registration for the property may be  
14 issued. The tax or proof of exemption may be transmitted to the  
15 Department by way of the State agency with which or State  
16 officer with whom the tangible personal property must be  
17 titled or registered if the Department and that agency or  
18 State officer determine that this procedure will expedite the  
19 processing of applications for title or registration.

20 The Department shall have full power to administer and  
21 enforce this subsection, to collect all taxes, penalties, and  
22 interest due under this subsection, to dispose of taxes,  
23 penalties, and interest so collected in the manner provided in  
24 this subsection, and to determine all rights to credit  
25 memoranda or refunds arising on account of the erroneous  
26 payment of tax, penalty, or interest under this subsection. In

1 the administration of and compliance with this subsection, the  
2 Department and persons who are subject to this subsection  
3 shall have the same rights, remedies, privileges, immunities,  
4 powers, and duties, be subject to the same conditions,  
5 restrictions, limitations, penalties, and definitions of  
6 terms, and employ the same modes of procedure as are  
7 prescribed in Sections 2 and 4 (except provisions pertaining  
8 to the State rate of tax; and in respect to the provisions of  
9 the Use Tax Act referred to in that Section, except provisions  
10 concerning collection or refunding of the tax by retailers,  
11 except the provisions of Section 19 pertaining to claims by  
12 retailers, except the last paragraph concerning refunds, and  
13 except that credit memoranda issued under this subsection may  
14 not be used to discharge any State tax liability) of the  
15 Automobile Renting Occupation and Use Tax Act, as fully as if  
16 provisions contained in those Sections of that Act were set  
17 forth in this subsection.

18 Whenever the Department determines that a refund should be  
19 made under this subsection to a claimant instead of issuing a  
20 credit memorandum, the Department shall notify the State  
21 Comptroller, who shall cause a warrant to be drawn for the  
22 amount specified and to the person named in the notification  
23 from the Department. The refund shall be paid by the State  
24 Treasurer out of the Metropolitan Pier and Exposition  
25 Authority trust fund held by the State Treasurer as trustee  
26 for the Authority.

1           Except as otherwise provided in this paragraph, the  
2 Department shall forthwith pay over to the State Treasurer, ex  
3 officio, as trustee, all taxes, penalties, and interest  
4 collected under this subsection for deposit into a trust fund  
5 held outside the State Treasury. On or before the 25th day of  
6 each calendar month, the Department shall certify to the State  
7 Comptroller the amounts to be paid under subsection (g) of  
8 this Section, which shall be the amounts (not including credit  
9 memoranda) collected under this subsection during the second  
10 preceding calendar month by the Department, less any amounts  
11 determined by the Department to be necessary for payment of  
12 refunds, less 1.5% of the remainder, which the Department  
13 shall transfer into the Tax Compliance and Administration  
14 Fund. The Department, at the time of each monthly disbursement  
15 to the Authority, shall prepare and certify to the State  
16 Comptroller the amount to be transferred into the Tax  
17 Compliance and Administration Fund under this subsection.  
18 Within 10 days after receipt by the State Comptroller of the  
19 Department's certification, the Comptroller shall cause the  
20 orders to be drawn for such amounts, and the Treasurer shall  
21 administer the amounts distributed to the Authority as  
22 required in subsection (g).

23           A certified copy of any ordinance imposing or  
24 discontinuing a tax or effecting a change in the rate of that  
25 tax shall be filed with the Illinois Department of Revenue,  
26 whereupon the Department shall proceed to administer and

1 enforce this subsection on behalf of the Authority as of the  
2 first day of the third calendar month following the date of  
3 filing.

4 (f) By ordinance the Authority shall, as soon as  
5 practicable after July 1, 1992 (the effective date of Public  
6 Act 87-733), impose an occupation tax on all persons, other  
7 than a governmental agency, engaged in the business of  
8 providing ground transportation for hire to passengers in the  
9 metropolitan area at a rate of (i) \$4 per taxi or livery  
10 vehicle departure with passengers for hire from commercial  
11 service airports in the metropolitan area, (ii) for each  
12 departure with passengers for hire from a commercial service  
13 airport in the metropolitan area in a bus or van operated by a  
14 person other than a person described in item (iii): \$18 per bus  
15 or van with a capacity of 1-12 passengers, \$36 per bus or van  
16 with a capacity of 13-24 passengers, and \$54 per bus or van  
17 with a capacity of over 24 passengers, and (iii) for each  
18 departure with passengers for hire from a commercial service  
19 airport in the metropolitan area in a bus or van operated by a  
20 person regulated by the Interstate Commerce Commission or  
21 Illinois Commerce Commission, operating scheduled service from  
22 the airport, and charging fares on a per passenger basis: \$2  
23 per passenger for hire in each bus or van. The term "commercial  
24 service airports" means those airports receiving scheduled  
25 passenger service and enplaning more than 100,000 passengers  
26 per year.

1           In the ordinance imposing the tax, the Authority may  
2 provide for the administration and enforcement of the tax and  
3 the collection of the tax from persons subject to the tax as  
4 the Authority determines to be necessary or practicable for  
5 the effective administration of the tax. The Authority may  
6 enter into agreements as it deems appropriate with any  
7 governmental agency providing for that agency to act as the  
8 Authority's agent to collect the tax.

9           In the ordinance imposing the tax, the Authority may  
10 designate a method or methods for persons subject to the tax to  
11 reimburse themselves for the tax liability arising under the  
12 ordinance (i) by separately stating the full amount of the tax  
13 liability as an additional charge to passengers departing the  
14 airports, (ii) by separately stating one-half of the tax  
15 liability as an additional charge to both passengers departing  
16 from and to passengers arriving at the airports, or (iii) by  
17 some other method determined by the Authority.

18           All taxes, penalties, and interest collected under any  
19 ordinance adopted under this subsection, less any amounts  
20 determined to be necessary for the payment of refunds and less  
21 the taxes, penalties, and interest attributable to any  
22 increase in the rate of tax authorized by Public Act 96-898,  
23 shall be paid forthwith to the State Treasurer, ex officio,  
24 for deposit into a trust fund held outside the State Treasury  
25 and shall be administered by the State Treasurer as provided  
26 in subsection (g) of this Section. All taxes, penalties, and



1 interest attributable to any increase in the rate of tax  
2 authorized by Public Act 96-898 shall be paid by the State  
3 Treasurer as follows: 25% for deposit into the Convention  
4 Center Support Fund, to be used by the Village of Rosemont for  
5 the repair, maintenance, and improvement of the Donald E.  
6 Stephens Convention Center and for debt service on debt  
7 instruments issued for those purposes by the village and 75%  
8 to the Authority to be used for grants to an organization  
9 meeting the qualifications set out in Section 5.6 of this Act,  
10 provided the Metropolitan Pier and Exposition Authority has  
11 entered into a marketing agreement with such an organization.

12 (g) Amounts deposited from the proceeds of taxes imposed  
13 by the Authority under subsections (b), (c), (d), (e), and (f)  
14 of this Section and amounts deposited under Section 19 of the  
15 Illinois Sports Facilities Authority Act shall be held in a  
16 trust fund outside the State Treasury and, other than the  
17 amounts transferred into the Tax Compliance and Administration  
18 Fund under subsections (b), (c), (d), and (e), shall be  
19 administered by the Treasurer as follows:

20 (1) An amount necessary for the payment of refunds  
21 with respect to those taxes shall be retained in the trust  
22 fund and used for those payments.

23 (2) On July 20 and on the 20th of each month  
24 thereafter, provided that the amount requested in the  
25 annual certificate of the Chairman of the Authority filed  
26 under Section 8.25f of the State Finance Act has been

1 appropriated for payment to the Authority, 1/8 of the  
2 local tax transfer amount, together with any cumulative  
3 deficiencies in the amounts transferred into the McCormick  
4 Place Expansion Project Fund under this subparagraph (2)  
5 during the fiscal year for which the certificate has been  
6 filed, shall be transferred from the trust fund into the  
7 McCormick Place Expansion Project Fund in the State  
8 treasury until 100% of the local tax transfer amount has  
9 been so transferred. "Local tax transfer amount" shall  
10 mean the amount requested in the annual certificate, minus  
11 the reduction amount. "Reduction amount" shall mean \$41.7  
12 million in fiscal year 2011, \$36.7 million in fiscal year  
13 2012, \$36.7 million in fiscal year 2013, \$36.7 million in  
14 fiscal year 2014, and \$31.7 million in each fiscal year  
15 thereafter until 2035, provided that the reduction amount  
16 shall be reduced by (i) the amount certified by the  
17 Authority to the State Comptroller and State Treasurer  
18 under Section 8.25 of the State Finance Act, as amended,  
19 with respect to that fiscal year and (ii) in any fiscal  
20 year in which the amounts deposited in the trust fund  
21 under this Section exceed \$343.3 million, exclusive of  
22 amounts set aside for refunds and for the reserve account,  
23 one dollar for each dollar of the deposits in the trust  
24 fund above \$343.3 million with respect to that year,  
25 exclusive of amounts set aside for refunds and for the  
26 reserve account.

1           (3) On July 20, 2010, the Comptroller shall certify to  
2           the Governor, the Treasurer, and the Chairman of the  
3           Authority the 2010 deficiency amount, which means the  
4           cumulative amount of transfers that were due from the  
5           trust fund to the McCormick Place Expansion Project Fund  
6           in fiscal years 2008, 2009, and 2010 under Section 13(g)  
7           of this Act, as it existed prior to May 27, 2010 (the  
8           effective date of Public Act 96-898), but not made. On  
9           July 20, 2011 and on July 20 of each year through July 20,  
10          2014, the Treasurer shall calculate for the previous  
11          fiscal year the surplus revenues in the trust fund and pay  
12          that amount to the Authority. On July 20, 2015 and on July  
13          20 of each year thereafter to and including July 20, 2017,  
14          as long as bonds and notes issued under Section 13.2 or  
15          bonds and notes issued to refund those bonds and notes are  
16          outstanding, the Treasurer shall calculate for the  
17          previous fiscal year the surplus revenues in the trust  
18          fund and pay one-half of that amount to the State  
19          Treasurer for deposit into the General Revenue Fund until  
20          the 2010 deficiency amount has been paid and shall pay the  
21          balance of the surplus revenues to the Authority. On July  
22          20, 2018 and on July 20 of each year thereafter, the  
23          Treasurer shall calculate for the previous fiscal year the  
24          surplus revenues in the trust fund and pay all of such  
25          surplus revenues to the State Treasurer for deposit into  
26          the General Revenue Fund until the 2010 deficiency amount

1 has been paid. After the 2010 deficiency amount has been  
2 paid, the Treasurer shall pay the balance of the surplus  
3 revenues to the Authority. "Surplus revenues" means the  
4 amounts remaining in the trust fund on June 30 of the  
5 previous fiscal year (A) after the State Treasurer has set  
6 aside in the trust fund (i) amounts retained for refunds  
7 under subparagraph (1) and (ii) any amounts necessary to  
8 meet the reserve account amount and (B) after the State  
9 Treasurer has transferred from the trust fund to the  
10 General Revenue Fund 100% of any post-2010 deficiency  
11 amount. "Reserve account amount" means \$15 million in  
12 fiscal year 2011 and \$30 million in each fiscal year  
13 thereafter. The reserve account amount shall be set aside  
14 in the trust fund and used as a reserve to be transferred  
15 to the McCormick Place Expansion Project Fund in the event  
16 the proceeds of taxes imposed under this Section 13 are  
17 not sufficient to fund the transfer required in  
18 subparagraph (2). "Post-2010 deficiency amount" means any  
19 deficiency in transfers from the trust fund to the  
20 McCormick Place Expansion Project Fund with respect to  
21 fiscal years 2011 and thereafter. It is the intention of  
22 this subparagraph (3) that no surplus revenues shall be  
23 paid to the Authority with respect to any year in which a  
24 post-2010 deficiency amount has not been satisfied by the  
25 Authority.

26 Moneys received by the Authority as surplus revenues may

1 be used (i) for the purposes of paying debt service on the  
2 bonds and notes issued by the Authority, including early  
3 redemption of those bonds or notes, (ii) for the purposes of  
4 repair, replacement, and improvement of the grounds,  
5 buildings, and facilities of the Authority, and (iii) for the  
6 corporate purposes of the Authority in fiscal years 2011  
7 through 2015 in an amount not to exceed \$20,000,000 annually  
8 or \$80,000,000 total, which amount shall be reduced \$0.75 for  
9 each dollar of the receipts of the Authority in that year from  
10 any contract entered into with respect to naming rights at  
11 McCormick Place under Section 5(m) of this Act. When bonds and  
12 notes issued under Section 13.2, or bonds or notes issued to  
13 refund those bonds and notes, are no longer outstanding, the  
14 balance in the trust fund shall be paid to the Authority.

15 (h) The ordinances imposing the taxes authorized by this  
16 Section shall be repealed when bonds and notes issued under  
17 Section 13.2 or bonds and notes issued to refund those bonds  
18 and notes are no longer outstanding.

19 (Source: P.A. 100-23, Article 5, Section 5-35, eff. 7-6-17;  
20 100-23, Article 35, Section 35-25, eff. 7-6-17; 100-587, eff.  
21 6-4-18; 100-863, eff. 8-14-18; 101-636, eff. 6-10-20.)

22 Section 65-20. The Illinois Sports Facilities Authority  
23 Act is amended by changing Section 19 as follows:

24 (70 ILCS 3205/19) (from Ch. 85, par. 6019)

1           Sec. 19. Tax. The Authority may impose an occupation tax  
2 upon all hotel operators ~~persons engaged~~ in the City of  
3 Chicago ~~in the business of renting, leasing or letting rooms~~  
4 ~~in a hotel~~, as defined in The Hotel Operators' Occupation Tax  
5 Act, at a rate not to exceed 2% of the gross rental receipts  
6 from engaging in business as a hotel operator ~~the renting,~~  
7 ~~leasing or letting of hotel rooms located~~ within the City of  
8 Chicago, excluding, however, from gross rental receipts, the  
9 proceeds of such renting, leasing or letting of hotel rooms to  
10 permanent residents of a ~~that~~ hotel and proceeds from the tax  
11 imposed under subsection (c) of Section 13 of the Metropolitan  
12 Pier and Exposition Authority Act.

13           The tax imposed by the Authority pursuant to this Section  
14 and all civil penalties that may be assessed as an incident  
15 thereof shall be collected and enforced by the State  
16 Department of Revenue. The certificate of registration which  
17 is issued by the Department to a lessor under The Hotel  
18 Operators' Occupation Tax Act shall permit such registrant to  
19 engage in a business which is taxable under any ordinance or  
20 resolution enacted pursuant to this Section without  
21 registering separately with the Department under such  
22 ordinance or resolution or under this Section. The Department  
23 shall have full power to administer and enforce this Section;  
24 to collect all taxes and penalties due hereunder; to dispose  
25 of taxes and penalties so collected in the manner provided in  
26 this Section, and to determine all rights to credit memoranda,

1 arising on account of the erroneous payment of tax or penalty  
2 hereunder. In the administration of, and compliance with, this  
3 Section, the Department and persons who are subject to this  
4 Section shall have the same rights, remedies, privileges,  
5 immunities, powers and duties, and be subject to the same  
6 conditions, restrictions, limitations, penalties and  
7 definitions of terms, and employ the same modes of procedure,  
8 as are prescribed in The Hotel Operators' Occupation Tax Act  
9 (except where that Act is inconsistent herewith), as the same  
10 is now or may hereafter be amended, as fully as if the  
11 provisions contained in The Hotel Operators' Occupation Tax  
12 Act were set forth herein.

13 Whenever the Department determines that a refund should be  
14 made under this Section to a claimant instead of issuing a  
15 credit memorandum, the Department shall notify the State  
16 Comptroller, who shall cause the warrant to be drawn for the  
17 amount specified, and to the person named, in such  
18 notification from the Department. Such refund shall be paid by  
19 the State Treasurer out of the amounts held by the State  
20 Treasurer as trustee for the Authority.

21 Persons subject to any tax imposed pursuant to authority  
22 granted by this Section may reimburse themselves for their tax  
23 liability for such tax by separately stating such tax as an  
24 additional charge, which charge may be stated in combination,  
25 in a single amount, with State tax imposed under The Hotel  
26 Operators' Occupation Tax Act, the municipal tax imposed under

1 Section 8-3-13 of the Illinois Municipal Code, and the tax  
2 imposed under Section 13 of the Metropolitan Pier and  
3 Exposition Authority Act.

4 The Department shall forthwith pay over to the State  
5 Treasurer, ex-officio, as trustee for the Authority, all taxes  
6 and penalties collected hereunder for deposit in a trust fund  
7 outside the State Treasury. On or before the 25th day of each  
8 calendar month, the Department shall certify to the  
9 Comptroller the amount to be paid to or on behalf of the  
10 Authority from amounts collected hereunder by the Department,  
11 and deposited into such trust fund during the second preceding  
12 calendar month. The amount to be paid to or on behalf of the  
13 Authority shall be the amount (not including credit memoranda)  
14 collected hereunder during such second preceding calendar  
15 month by the Department, less an amount equal to the amount of  
16 refunds authorized during such second preceding calendar month  
17 by the Department on behalf of the Authority, and less 4% of  
18 such balance, which sum shall be retained by the State  
19 Treasurer to cover the costs incurred by the Department in  
20 administering and enforcing the provisions of this Section, as  
21 provided herein. Each such monthly certification by the  
22 Department shall also certify to the Comptroller the amount to  
23 be so retained by the State Treasurer for payment into the  
24 General Revenue Fund of the State Treasury.

25 Each monthly certification by the Department shall  
26 certify, of the amount paid to or on behalf of the Authority,



1 (i) the portion to be paid to the Authority, (ii) the portion  
2 to be paid into the General Revenue Fund of the State Treasury  
3 on behalf of the Authority as repayment of amounts advanced to  
4 the Authority pursuant to appropriation from the Illinois  
5 Sports Facilities Fund.

6 With respect to each State fiscal year, of the total  
7 amount to be paid to or on behalf of the Authority, the  
8 Department shall certify that payments shall first be made  
9 directly to the Authority in an amount equal to any difference  
10 between the annual amount certified by the Chairman of the  
11 Authority pursuant to Section 8.25-4 of the State Finance Act  
12 and the amount appropriated to the Authority from the Illinois  
13 Sports Facilities Fund. Next, the Department shall certify  
14 that payment shall be made into the General Revenue Fund of the  
15 State Treasury in an amount equal to the difference between  
16 (i) the lesser of (x) the amount appropriated from the  
17 Illinois Sports Facilities Fund to the Authority and (y) the  
18 annual amount certified by the Chairman of the Authority  
19 pursuant to Section 8.25-4 of the State Finance Act and (ii)  
20 \$10,000,000. The Department shall certify that all additional  
21 amounts shall be paid to the Authority and used for its  
22 corporate purposes.

23 Within 10 days after receipt, by the Comptroller, of the  
24 Department's monthly certification of amounts to be paid to or  
25 on behalf of the Authority and amounts to be paid into the  
26 General Revenue Fund, the Comptroller shall cause the warrants

1 to be drawn for the respective amounts in accordance with the  
2 directions contained in such certification.

3       Amounts collected by the Department and paid to the  
4 Authority pursuant to this Section shall be used for the  
5 corporate purposes of the Authority. On June 15, 1992 and on  
6 each June 15 thereafter, the Authority shall repay to the  
7 State Treasurer all amounts paid to it under this Section and  
8 otherwise remaining available to the Authority after providing  
9 for (i) payment of principal and interest on, and other  
10 payments related to, its obligations issued or to be issued  
11 under Section 13 of the Act, including any deposits required  
12 to reserve funds created under any indenture or resolution  
13 authorizing issuance of the obligations and payments to  
14 providers of credit enhancement, (ii) payment of obligations  
15 under the provisions of any management agreement with respect  
16 to a facility or facilities owned by the Authority or of any  
17 assistance agreement with respect to any facility for which  
18 financial assistance is provided under this Act, and payment  
19 of other capital and operating expenses of the Authority,  
20 including any deposits required to reserve funds created for  
21 repair and replacement of capital assets and to meet the  
22 obligations of the Authority under any management agreement or  
23 assistance agreement. Amounts repaid by the Authority to the  
24 State Treasurer hereunder shall be treated as repayment of  
25 amounts deposited into the Illinois Sports Facilities Fund and  
26 credited to the Subsidy Account and used for the corporate

1 purposes of the Authority. The State Treasurer shall deposit  
2 \$5,000,000 of the amount received into the General Revenue  
3 Fund; thereafter, at the beginning of each fiscal year the  
4 State Treasurer shall certify to the State Comptroller for all  
5 prior fiscal years the cumulative amount of any deficiencies  
6 in repayments to the City of Chicago of amounts in the Local  
7 Government Distributive Fund that would otherwise have been  
8 allocated to the City of Chicago under the State Revenue  
9 Sharing Act but instead were paid into the General Revenue  
10 Fund under Section 6 of the Hotel Operators' Occupation Tax  
11 Act and that have not been reimbursed, and the Comptroller  
12 shall, during the fiscal year at the beginning of which the  
13 certification was made, cause warrants to be drawn from the  
14 amount received for the repayment of that cumulative amount to  
15 the City of Chicago until that cumulative amount has been  
16 fully reimbursed; thereafter, the State Treasurer shall  
17 deposit the balance of the amount received into the trust fund  
18 established outside the State Treasury under subsection (g) of  
19 Section 13 of the Metropolitan Pier and Exposition Authority  
20 Act.

21 Nothing in this Section shall be construed to authorize  
22 the Authority to impose a tax upon the privilege of engaging in  
23 any business which under the constitution of the United States  
24 may not be made the subject of taxation by this State.

25 An ordinance or resolution imposing or discontinuing a tax  
26 hereunder or effecting a change in the rate thereof shall be

1 effective on the first day of the second calendar month next  
2 following the month in which the ordinance or resolution is  
3 passed.

4 If the Authority levies a tax authorized by this Section  
5 it shall transmit to the Department of Revenue not later than 5  
6 days after the adoption of the ordinance or resolution a  
7 certified copy of the ordinance or resolution imposing such  
8 tax whereupon the Department of Revenue shall proceed to  
9 administer and enforce this Section on behalf of the  
10 Authority. Upon a change in rate of a tax levied hereunder, or  
11 upon the discontinuance of the tax, the Authority shall not  
12 later than 5 days after the effective date of the ordinance or  
13 resolution discontinuing the tax or effecting a change in rate  
14 transmit to the Department of Revenue a certified copy of the  
15 ordinance or resolution effecting such change or  
16 discontinuance.

17 (Source: P.A. 91-935, eff. 6-1-01.)

18 ARTICLE 70.

19 Section 70-5. The Motor Fuel Tax Law is amended by  
20 changing Section 2a as follows:

21 (35 ILCS 505/2a) (from Ch. 120, par. 418a)

22 Sec. 2a. Except as hereinafter provided, on and after  
23 January 1, 1990 and before January 1, 2030 ~~January 1, 2025~~, a

1 tax of three-tenths of a cent per gallon is imposed upon the  
2 privilege of being a receiver in this State of fuel for sale or  
3 use. Beginning January 1, 2021, this tax is not imposed on  
4 sales of aviation fuel for so long as the revenue use  
5 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
6 binding on the State.

7 The tax shall be paid by the receiver in this State who  
8 first sells or uses fuel. In the case of a sale, the tax shall  
9 be stated as a separate item on the invoice.

10 For the purpose of the tax imposed by this Section, being a  
11 receiver of "motor fuel" as defined by Section 1.1 of this Act,  
12 and aviation fuels, home heating oil and kerosene, but  
13 excluding liquified petroleum gases, is subject to tax without  
14 regard to whether the fuel is intended to be used for operation  
15 of motor vehicles on the public highways and waters. However,  
16 no such tax shall be imposed upon the importation or receipt of  
17 aviation fuels and kerosene at airports with over 300,000  
18 operations per year, for years prior to 1991, and over 170,000  
19 operations per year beginning in 1991, located in a city of  
20 more than 1,000,000 inhabitants for sale to or use by holders  
21 of certificates of public convenience and necessity or foreign  
22 air carrier permits, issued by the United States Department of  
23 Transportation, and their air carrier affiliates, or upon the  
24 importation or receipt of aviation fuels and kerosene at  
25 facilities owned or leased by those certificate or permit  
26 holders and used in their activities at an airport described

1 above. In addition, no such tax shall be imposed upon the  
2 importation or receipt of diesel fuel or liquefied natural gas  
3 sold to or used by a rail carrier registered pursuant to  
4 Section 18c-7201 of the Illinois Vehicle Code or otherwise  
5 recognized by the Illinois Commerce Commission as a rail  
6 carrier, to the extent used directly in railroad operations.  
7 In addition, no such tax shall be imposed when the sale is made  
8 with delivery to a purchaser outside this State or when the  
9 sale is made to a person holding a valid license as a receiver.  
10 In addition, no tax shall be imposed upon diesel fuel or  
11 liquefied natural gas consumed or used in the operation of  
12 ships, barges, or vessels, that are used primarily in or for  
13 the transportation of property in interstate commerce for hire  
14 on rivers bordering on this State, if the diesel fuel or  
15 liquefied natural gas is delivered by a licensed receiver to  
16 the purchaser's barge, ship, or vessel while it is afloat upon  
17 that bordering river. A specific notation thereof shall be  
18 made on the invoices or sales slips covering each sale.

19 (Source: P.A. 100-9, eff. 7-1-17; 101-604, eff. 12-13-19.)

20 Section 70-10. The Environmental Impact Fee Law is amended  
21 by changing Section 390 as follows:

22 (415 ILCS 125/390)

23 (Section scheduled to be repealed on January 1, 2025)

24 Sec. 390. Repeal. This Article is repealed on January 1,

1 2030 January 1, 2025.

2 (Source: P.A. 96-161, eff. 8-10-09.)

3 ARTICLE 75.

4 Section 75-5. The Use Tax Act is amended by changing  
5 Sections 2, 3, 3-5, 3-10, 3-55, and 9 and by adding Section  
6 1.05 as follows:

7 (35 ILCS 105/1.05 new)

8 Sec. 1.05. Legislative intent; leases. It is the intent of  
9 the General Assembly in enacting this amendatory Act of the  
10 103rd General Assembly to apply the tax imposed under this  
11 Act, except as otherwise provided in this Act, to the  
12 privilege of using in this State tangible personal property,  
13 other than motor vehicles, watercraft, aircraft, and  
14 semitrailers, as defined in Section 1-187 of the Illinois  
15 Vehicle Code, that are required to be registered with an  
16 agency of this State, leased at retail from a retailer, for  
17 leases in effect, entered into, or renewed on or after January  
18 1, 2025.

19 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

20 Sec. 2. Definitions.

21 "Use" means the exercise by any person of any right or  
22 power over tangible personal property incident to the

1 ownership of that property, or, on and after January 1, 2025,  
2 incident to the possession or control of, the right to possess  
3 or control, or a license to use that property through a lease,  
4 except that it does not include the sale of such property in  
5 any form as tangible personal property in the regular course  
6 of business to the extent that such property is not first  
7 subjected to a use for which it was purchased, and does not  
8 include the use of such property by its owner for  
9 demonstration purposes: Provided that the property purchased  
10 is deemed to be purchased for the purpose of resale, despite  
11 first being used, to the extent to which it is resold as an  
12 ingredient of an intentionally produced product or by-product  
13 of manufacturing. "Use" does not mean the demonstration use or  
14 interim use of tangible personal property by a retailer before  
15 he sells that tangible personal property. On and after January  
16 1, 2025, the lease of tangible personal property to a lessee by  
17 a retailer who is subject to tax on lease receipts under this  
18 amendatory Act of the 103rd General Assembly does not qualify  
19 as demonstration use or interim use of that property. For  
20 watercraft or aircraft, if the period of demonstration use or  
21 interim use by the retailer exceeds 18 months, the retailer  
22 shall pay on the retailers' original cost price the tax  
23 imposed by this Act, and no credit for that tax is permitted if  
24 the watercraft or aircraft is subsequently sold by the  
25 retailer. "Use" does not mean the physical incorporation of  
26 tangible personal property, to the extent not first subjected



1 to a use for which it was purchased, as an ingredient or  
2 constituent, into other tangible personal property (a) which  
3 is sold in the regular course of business or (b) which the  
4 person incorporating such ingredient or constituent therein  
5 has undertaken at the time of such purchase to cause to be  
6 transported in interstate commerce to destinations outside the  
7 State of Illinois: Provided that the property purchased is  
8 deemed to be purchased for the purpose of resale, despite  
9 first being used, to the extent to which it is resold as an  
10 ingredient of an intentionally produced product or by-product  
11 of manufacturing.

12 "Lease" means a transfer of the possession or control of,  
13 the right to possess or control, or a license to use, but not  
14 title to, tangible personal property for a fixed or  
15 indeterminate term for consideration, regardless of the name  
16 by which the transaction is called. "Lease" does not include a  
17 lease entered into merely as a security agreement that does  
18 not involve a transfer of possession or control from the  
19 lessor to the lessee.

20 On and after January 1, 2025, the term "sale", when used in  
21 this Act, includes a lease.

22 "Watercraft" means a Class 2, Class 3, or Class 4  
23 watercraft as defined in Section 3-2 of the Boat Registration  
24 and Safety Act, a personal watercraft, or any boat equipped  
25 with an inboard motor.

26 "Purchase at retail" means the acquisition of the

1 ownership of, the ~~or~~ title to, the possession or control of,  
2 the right to possess or control, or a license to use, tangible  
3 personal property through a sale at retail.

4 "Purchaser" means anyone who, through a sale at retail,  
5 acquires the ownership of, the title to, the possession or  
6 control of, the right to possess or control, or a license to  
7 use, tangible personal property for a valuable consideration.

8 "Sale at retail" means any transfer of the ownership of or  
9 title to tangible personal property to a purchaser, for the  
10 purpose of use, and not for the purpose of resale in any form  
11 as tangible personal property to the extent not first  
12 subjected to a use for which it was purchased, for a valuable  
13 consideration: Provided that the property purchased is deemed  
14 to be purchased for the purpose of resale, despite first being  
15 used, to the extent to which it is resold as an ingredient of  
16 an intentionally produced product or by-product of  
17 manufacturing. For this purpose, slag produced as an incident  
18 to manufacturing pig iron or steel and sold is considered to be  
19 an intentionally produced by-product of manufacturing. "Sale  
20 at retail" includes any such transfer made for resale unless  
21 made in compliance with Section 2c of the Retailers'  
22 Occupation Tax Act, as incorporated by reference into Section  
23 12 of this Act. Transactions whereby the possession of the  
24 property is transferred but the seller retains the title as  
25 security for payment of the selling price are sales.

26 "Sale at retail" shall also be construed to include any

1 Illinois florist's sales transaction in which the purchase  
2 order is received in Illinois by a florist and the sale is for  
3 use or consumption, but the Illinois florist has a florist in  
4 another state deliver the property to the purchaser or the  
5 purchaser's donee in such other state.

6 Nonreusable tangible personal property that is used by  
7 persons engaged in the business of operating a restaurant,  
8 cafeteria, or drive-in is a sale for resale when it is  
9 transferred to customers in the ordinary course of business as  
10 part of the sale of food or beverages and is used to deliver,  
11 package, or consume food or beverages, regardless of where  
12 consumption of the food or beverages occurs. Examples of those  
13 items include, but are not limited to nonreusable, paper and  
14 plastic cups, plates, baskets, boxes, sleeves, buckets or  
15 other containers, utensils, straws, placemats, napkins, doggie  
16 bags, and wrapping or packaging materials that are transferred  
17 to customers as part of the sale of food or beverages in the  
18 ordinary course of business.

19 The purchase, employment and transfer of such tangible  
20 personal property as newsprint and ink for the primary purpose  
21 of conveying news (with or without other information) is not a  
22 purchase, use or sale of tangible personal property.

23 "Selling price" means the consideration for a sale valued  
24 in money whether received in money or otherwise, including  
25 cash, credits, property other than as hereinafter provided,  
26 and services, but, prior to January 1, 2020 and beginning

1 again on January 1, 2022, not including the value of or credit  
2 given for traded-in tangible personal property where the item  
3 that is traded-in is of like kind and character as that which  
4 is being sold; beginning January 1, 2020 and until January 1,  
5 2022, "selling price" includes the portion of the value of or  
6 credit given for traded-in motor vehicles of the First  
7 Division as defined in Section 1-146 of the Illinois Vehicle  
8 Code of like kind and character as that which is being sold  
9 that exceeds \$10,000. "Selling price" shall be determined  
10 without any deduction on account of the cost of the property  
11 sold, the cost of materials used, labor or service cost or any  
12 other expense whatsoever, but does not include interest or  
13 finance charges which appear as separate items on the bill of  
14 sale or sales contract nor charges that are added to prices by  
15 sellers on account of the seller's tax liability under the  
16 Retailers' Occupation Tax Act, or on account of the seller's  
17 duty to collect, from the purchaser, the tax that is imposed by  
18 this Act, or, except as otherwise provided with respect to any  
19 cigarette tax imposed by a home rule unit, on account of the  
20 seller's tax liability under any local occupation tax  
21 administered by the Department, or, except as otherwise  
22 provided with respect to any cigarette tax imposed by a home  
23 rule unit on account of the seller's duty to collect, from the  
24 purchasers, the tax that is imposed under any local use tax  
25 administered by the Department. Effective December 1, 1985,  
26 "selling price" shall include charges that are added to prices

1 by sellers on account of the seller's tax liability under the  
2 Cigarette Tax Act, on account of the seller's duty to collect,  
3 from the purchaser, the tax imposed under the Cigarette Use  
4 Tax Act, and on account of the seller's duty to collect, from  
5 the purchaser, any cigarette tax imposed by a home rule unit.

6 The provisions of this paragraph, which provides only for  
7 an alternative meaning of "selling price" with respect to the  
8 sale of certain motor vehicles incident to the contemporaneous  
9 lease of those motor vehicles, continue in effect and are not  
10 changed by the tax on leases implemented by this amendatory  
11 Act of the 103rd General Assembly. Notwithstanding any law to  
12 the contrary, for any motor vehicle, as defined in Section  
13 1-146 of the Vehicle Code, that is sold on or after January 1,  
14 2015 for the purpose of leasing the vehicle for a defined  
15 period that is longer than one year and (1) is a motor vehicle  
16 of the second division that: (A) is a self-contained motor  
17 vehicle designed or permanently converted to provide living  
18 quarters for recreational, camping, or travel use, with direct  
19 walk through access to the living quarters from the driver's  
20 seat; (B) is of the van configuration designed for the  
21 transportation of not less than 7 nor more than 16 passengers;  
22 or (C) has a gross vehicle weight rating of 8,000 pounds or  
23 less or (2) is a motor vehicle of the first division, "selling  
24 price" or "amount of sale" means the consideration received by  
25 the lessor pursuant to the lease contract, including amounts  
26 due at lease signing and all monthly or other regular payments

1 charged over the term of the lease. Also included in the  
2 selling price is any amount received by the lessor from the  
3 lessee for the leased vehicle that is not calculated at the  
4 time the lease is executed, including, but not limited to,  
5 excess mileage charges and charges for excess wear and tear.  
6 For sales that occur in Illinois, with respect to any amount  
7 received by the lessor from the lessee for the leased vehicle  
8 that is not calculated at the time the lease is executed, the  
9 lessor who purchased the motor vehicle does not incur the tax  
10 imposed by the Use Tax Act on those amounts, and the retailer  
11 who makes the retail sale of the motor vehicle to the lessor is  
12 not required to collect the tax imposed by this Act or to pay  
13 the tax imposed by the Retailers' Occupation Tax Act on those  
14 amounts. However, the lessor who purchased the motor vehicle  
15 assumes the liability for reporting and paying the tax on  
16 those amounts directly to the Department in the same form  
17 (Illinois Retailers' Occupation Tax, and local retailers'  
18 occupation taxes, if applicable) in which the retailer would  
19 have reported and paid such tax if the retailer had accounted  
20 for the tax to the Department. For amounts received by the  
21 lessor from the lessee that are not calculated at the time the  
22 lease is executed, the lessor must file the return and pay the  
23 tax to the Department by the due date otherwise required by  
24 this Act for returns other than transaction returns. If the  
25 retailer is entitled under this Act to a discount for  
26 collecting and remitting the tax imposed under this Act to the

1 Department with respect to the sale of the motor vehicle to the  
2 lessor, then the right to the discount provided in this Act  
3 shall be transferred to the lessor with respect to the tax paid  
4 by the lessor for any amount received by the lessor from the  
5 lessee for the leased vehicle that is not calculated at the  
6 time the lease is executed; provided that the discount is only  
7 allowed if the return is timely filed and for amounts timely  
8 paid. The "selling price" of a motor vehicle that is sold on or  
9 after January 1, 2015 for the purpose of leasing for a defined  
10 period of longer than one year shall not be reduced by the  
11 value of or credit given for traded-in tangible personal  
12 property owned by the lessor, nor shall it be reduced by the  
13 value of or credit given for traded-in tangible personal  
14 property owned by the lessee, regardless of whether the  
15 trade-in value thereof is assigned by the lessee to the  
16 lessor. In the case of a motor vehicle that is sold for the  
17 purpose of leasing for a defined period of longer than one  
18 year, the sale occurs at the time of the delivery of the  
19 vehicle, regardless of the due date of any lease payments. A  
20 lessor who incurs a Retailers' Occupation Tax liability on the  
21 sale of a motor vehicle coming off lease may not take a credit  
22 against that liability for the Use Tax the lessor paid upon the  
23 purchase of the motor vehicle (or for any tax the lessor paid  
24 with respect to any amount received by the lessor from the  
25 lessee for the leased vehicle that was not calculated at the  
26 time the lease was executed) if the selling price of the motor

1 vehicle at the time of purchase was calculated using the  
2 definition of "selling price" as defined in this paragraph.  
3 Notwithstanding any other provision of this Act to the  
4 contrary, lessors shall file all returns and make all payments  
5 required under this paragraph to the Department by electronic  
6 means in the manner and form as required by the Department.  
7 This paragraph does not apply to leases of motor vehicles for  
8 which, at the time the lease is entered into, the term of the  
9 lease is not a defined period, including leases with a defined  
10 initial period with the option to continue the lease on a  
11 month-to-month or other basis beyond the initial defined  
12 period.

13 The phrase "like kind and character" shall be liberally  
14 construed (including but not limited to any form of motor  
15 vehicle for any form of motor vehicle, or any kind of farm or  
16 agricultural implement for any other kind of farm or  
17 agricultural implement), while not including a kind of item  
18 which, if sold at retail by that retailer, would be exempt from  
19 retailers' occupation tax and use tax as an isolated or  
20 occasional sale.

21 "Department" means the Department of Revenue.

22 "Person" means any natural individual, firm, partnership,  
23 association, joint stock company, joint adventure, public or  
24 private corporation, limited liability company, or a receiver,  
25 executor, trustee, guardian or other representative appointed  
26 by order of any court.



1 "Retailer" means and includes every person engaged in the  
2 business of making sales, including, on and after January 1,  
3 2025, leases, at retail as defined in this Section. With  
4 respect to leases, a "retailer" also means a "lessor", except  
5 as otherwise provided in this Act.

6 A person who holds himself or herself out as being engaged  
7 (or who habitually engages) in selling tangible personal  
8 property at retail is a retailer hereunder with respect to  
9 such sales (and not primarily in a service occupation)  
10 notwithstanding the fact that such person designs and produces  
11 such tangible personal property on special order for the  
12 purchaser and in such a way as to render the property of value  
13 only to such purchaser, if such tangible personal property so  
14 produced on special order serves substantially the same  
15 function as stock or standard items of tangible personal  
16 property that are sold at retail.

17 A person whose activities are organized and conducted  
18 primarily as a not-for-profit service enterprise, and who  
19 engages in selling tangible personal property at retail  
20 (whether to the public or merely to members and their guests)  
21 is a retailer with respect to such transactions, excepting  
22 only a person organized and operated exclusively for  
23 charitable, religious or educational purposes either (1), to  
24 the extent of sales by such person to its members, students,  
25 patients or inmates of tangible personal property to be used  
26 primarily for the purposes of such person, or (2), to the

1 extent of sales by such person of tangible personal property  
2 which is not sold or offered for sale by persons organized for  
3 profit. The selling of school books and school supplies by  
4 schools at retail to students is not "primarily for the  
5 purposes of" the school which does such selling. This  
6 paragraph does not apply to nor subject to taxation occasional  
7 dinners, social or similar activities of a person organized  
8 and operated exclusively for charitable, religious or  
9 educational purposes, whether or not such activities are open  
10 to the public.

11 A person who is the recipient of a grant or contract under  
12 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and  
13 serves meals to participants in the federal Nutrition Program  
14 for the Elderly in return for contributions established in  
15 amount by the individual participant pursuant to a schedule of  
16 suggested fees as provided for in the federal Act is not a  
17 retailer under this Act with respect to such transactions.

18 Persons who engage in the business of transferring  
19 tangible personal property upon the redemption of trading  
20 stamps are retailers hereunder when engaged in such business.

21 The isolated or occasional sale of tangible personal  
22 property at retail by a person who does not hold himself out as  
23 being engaged (or who does not habitually engage) in selling  
24 such tangible personal property at retail or a sale through a  
25 bulk vending machine does not make such person a retailer  
26 hereunder. However, any person who is engaged in a business

1 which is not subject to the tax imposed by the Retailers'  
2 Occupation Tax Act because of involving the sale of or a  
3 contract to sell real estate or a construction contract to  
4 improve real estate, but who, in the course of conducting such  
5 business, transfers tangible personal property to users or  
6 consumers in the finished form in which it was purchased, and  
7 which does not become real estate, under any provision of a  
8 construction contract or real estate sale or real estate sales  
9 agreement entered into with some other person arising out of  
10 or because of such nontaxable business, is a retailer to the  
11 extent of the value of the tangible personal property so  
12 transferred. If, in such transaction, a separate charge is  
13 made for the tangible personal property so transferred, the  
14 value of such property, for the purposes of this Act, is the  
15 amount so separately charged, but not less than the cost of  
16 such property to the transferor; if no separate charge is  
17 made, the value of such property, for the purposes of this Act,  
18 is the cost to the transferor of such tangible personal  
19 property.

20 "Retailer maintaining a place of business in this State",  
21 or any like term, means and includes any of the following  
22 retailers:

- 23 (1) A retailer having or maintaining within this  
24 State, directly or by a subsidiary, an office,  
25 distribution house, sales house, warehouse or other place  
26 of business, or any agent or other representative

1 operating within this State under the authority of the  
2 retailer or its subsidiary, irrespective of whether such  
3 place of business or agent or other representative is  
4 located here permanently or temporarily, or whether such  
5 retailer or subsidiary is licensed to do business in this  
6 State. However, the ownership of property that is located  
7 at the premises of a printer with which the retailer has  
8 contracted for printing and that consists of the final  
9 printed product, property that becomes a part of the final  
10 printed product, or copy from which the printed product is  
11 produced shall not result in the retailer being deemed to  
12 have or maintain an office, distribution house, sales  
13 house, warehouse, or other place of business within this  
14 State.

15 (1.1) A retailer having a contract with a person  
16 located in this State under which the person, for a  
17 commission or other consideration based upon the sale of  
18 tangible personal property by the retailer, directly or  
19 indirectly refers potential customers to the retailer by  
20 providing to the potential customers a promotional code or  
21 other mechanism that allows the retailer to track  
22 purchases referred by such persons. Examples of mechanisms  
23 that allow the retailer to track purchases referred by  
24 such persons include but are not limited to the use of a  
25 link on the person's Internet website, promotional codes  
26 distributed through the person's hand-delivered or mailed

1 material, and promotional codes distributed by the person  
2 through radio or other broadcast media. The provisions of  
3 this paragraph (1.1) shall apply only if the cumulative  
4 gross receipts from sales of tangible personal property by  
5 the retailer to customers who are referred to the retailer  
6 by all persons in this State under such contracts exceed  
7 \$10,000 during the preceding 4 quarterly periods ending on  
8 the last day of March, June, September, and December. A  
9 retailer meeting the requirements of this paragraph (1.1)  
10 shall be presumed to be maintaining a place of business in  
11 this State but may rebut this presumption by submitting  
12 proof that the referrals or other activities pursued  
13 within this State by such persons were not sufficient to  
14 meet the nexus standards of the United States Constitution  
15 during the preceding 4 quarterly periods.

16 (1.2) Beginning July 1, 2011, a retailer having a  
17 contract with a person located in this State under which:

18 (A) the retailer sells the same or substantially  
19 similar line of products as the person located in this  
20 State and does so using an identical or substantially  
21 similar name, trade name, or trademark as the person  
22 located in this State; and

23 (B) the retailer provides a commission or other  
24 consideration to the person located in this State  
25 based upon the sale of tangible personal property by  
26 the retailer.

1           The provisions of this paragraph (1.2) shall apply  
2           only if the cumulative gross receipts from sales of  
3           tangible personal property by the retailer to customers in  
4           this State under all such contracts exceed \$10,000 during  
5           the preceding 4 quarterly periods ending on the last day  
6           of March, June, September, and December.

7           (2) (Blank).

8           (3) (Blank).

9           (4) (Blank).

10          (5) (Blank).

11          (6) (Blank).

12          (7) (Blank).

13          (8) (Blank).

14          (9) Beginning October 1, 2018, a retailer making sales  
15          of tangible personal property to purchasers in Illinois  
16          from outside of Illinois if:

17                (A) the cumulative gross receipts from sales of  
18                tangible personal property to purchasers in Illinois  
19                are \$100,000 or more; or

20                (B) the retailer enters into 200 or more separate  
21                transactions for the sale of tangible personal  
22                property to purchasers in Illinois.

23          The retailer shall determine on a quarterly basis,  
24          ending on the last day of March, June, September, and  
25          December, whether he or she meets the criteria of either  
26          subparagraph (A) or (B) of this paragraph (9) for the

1 preceding 12-month period. If the retailer meets the  
2 threshold of either subparagraph (A) or (B) for a 12-month  
3 period, he or she is considered a retailer maintaining a  
4 place of business in this State and is required to collect  
5 and remit the tax imposed under this Act and file returns  
6 for one year. At the end of that one-year period, the  
7 retailer shall determine whether he or she met the  
8 threshold of either subparagraph (A) or (B) during the  
9 preceding 12-month period. If the retailer met the  
10 criteria in either subparagraph (A) or (B) for the  
11 preceding 12-month period, he or she is considered a  
12 retailer maintaining a place of business in this State and  
13 is required to collect and remit the tax imposed under  
14 this Act and file returns for the subsequent year. If at  
15 the end of a one-year period a retailer that was required  
16 to collect and remit the tax imposed under this Act  
17 determines that he or she did not meet the threshold in  
18 either subparagraph (A) or (B) during the preceding  
19 12-month period, the retailer shall subsequently determine  
20 on a quarterly basis, ending on the last day of March,  
21 June, September, and December, whether he or she meets the  
22 threshold of either subparagraph (A) or (B) for the  
23 preceding 12-month period.

24 Beginning January 1, 2020, neither the gross receipts  
25 from nor the number of separate transactions for sales of  
26 tangible personal property to purchasers in Illinois that

1 a retailer makes through a marketplace facilitator and for  
2 which the retailer has received a certification from the  
3 marketplace facilitator pursuant to Section 2d of this Act  
4 shall be included for purposes of determining whether he  
5 or she has met the thresholds of this paragraph (9).

6 (10) Beginning January 1, 2020, a marketplace  
7 facilitator that meets a threshold set forth in subsection  
8 (b) of Section 2d of this Act.

9 "Bulk vending machine" means a vending machine, containing  
10 unsorted confections, nuts, toys, or other items designed  
11 primarily to be used or played with by children which, when a  
12 coin or coins of a denomination not larger than \$0.50 are  
13 inserted, are dispensed in equal portions, at random and  
14 without selection by the customer.

15 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 1-1-20;  
16 101-604, eff. 1-1-20; 102-353, eff. 1-1-22.)

17 (35 ILCS 105/3) (from Ch. 120, par. 439.3)

18 Sec. 3. Tax imposed. A tax is imposed upon the privilege of  
19 using in this State tangible personal property purchased,  
20 which, on and after January 1, 2025, includes leased, at  
21 retail from a retailer, including computer software, and  
22 including photographs, negatives, and positives that are the  
23 product of photoprocessing, but not including products of  
24 photoprocessing produced for use in motion pictures for  
25 commercial exhibition. Beginning January 1, 2001, prepaid



1 telephone calling arrangements shall be considered tangible  
2 personal property subject to the tax imposed under this Act  
3 regardless of the form in which those arrangements may be  
4 embodied, transmitted, or fixed by any method now known or  
5 hereafter developed. Purchases of (1) electricity delivered to  
6 customers by wire; (2) natural or artificial gas that is  
7 delivered to customers through pipes, pipelines, or mains; and  
8 (3) water that is delivered to customers through pipes,  
9 pipelines, or mains are not subject to tax under this Act. The  
10 provisions of this amendatory Act of the 98th General Assembly  
11 are declaratory of existing law as to the meaning and scope of  
12 this Act.

13 The imposition of the tax under this Act on the privilege  
14 of using tangible personal property leased at retail applies  
15 to leases of tangible personal property in effect, entered  
16 into, or renewed on or after January 1, 2025. In the case of  
17 leases, except as otherwise provided in this Act, the lessor,  
18 in collecting the tax, may collect for each tax return period,  
19 only the tax applicable to that part of the selling price  
20 actually received during such tax return period.

21 The inclusion of leases in the tax imposed under this Act  
22 by this amendatory Act of the 103rd General Assembly does not,  
23 however, extend to motor vehicles, watercraft, aircraft, and  
24 semitrailers, as defined in Section 1-187 of the Illinois  
25 Vehicle Code, that are required to be registered with an  
26 agency of this State. The taxation of these items shall

1 continue in effect as prior to the effective date of the  
2 changes made to this Section by this amendatory Act of the  
3 103rd General Assembly (i.e. dealers owe retailers' occupation  
4 tax, lessors owe use tax, and lessees are not subject to  
5 retailers' occupation or use tax).

6 (Source: P.A. 98-583, eff. 1-1-14.)

7 (35 ILCS 105/3-5)

8 Sec. 3-5. Exemptions. Use, which, on and after January 1,  
9 2025, includes use by a lessee, of the following tangible  
10 personal property is exempt from the tax imposed by this Act:

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

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

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

1 support of arts or cultural programming, activities, or  
2 services. These organizations include, but are not limited to,  
3 music and dramatic arts organizations such as symphony  
4 orchestras and theatrical groups, arts and cultural service  
5 organizations, local arts councils, visual arts organizations,  
6 and media arts organizations. On and after July 1, 2001 (the  
7 effective date of Public Act 92-35), however, an entity  
8 otherwise eligible for this exemption shall not make tax-free  
9 purchases unless it has an active identification number issued  
10 by the Department.

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

26 (5) Until July 1, 2003, a passenger car that is a

1 replacement vehicle to the extent that the purchase price of  
2 the car is subject to the Replacement Vehicle Tax.

3 (6) Until July 1, 2003 and beginning again on September 1,  
4 2004 through August 30, 2014, graphic arts machinery and  
5 equipment, including repair and replacement parts, both new  
6 and used, and including that manufactured on special order,  
7 certified by the purchaser to be used primarily for graphic  
8 arts production, and including machinery and equipment  
9 purchased for lease. Equipment includes chemicals or chemicals  
10 acting as catalysts but only if the chemicals or chemicals  
11 acting as catalysts effect a direct and immediate change upon  
12 a graphic arts product. Beginning on July 1, 2017, graphic  
13 arts machinery and equipment is included in the manufacturing  
14 and assembling machinery and equipment exemption under  
15 paragraph (18).

16 (7) Farm chemicals.

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

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

24 (10) A motor vehicle that is used for automobile renting,  
25 as defined in the Automobile Renting Occupation and Use Tax  
26 Act.

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

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

1 such equipment.

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

9 Beginning on January 1, 2024, farm machinery and equipment  
10 also includes electrical power generation equipment used  
11 primarily for production agriculture.

12 This item (11) is exempt from the provisions of Section  
13 3-90.

14 (12) Until June 30, 2013, fuel and petroleum products sold  
15 to or used by an air common carrier, certified by the carrier  
16 to be used for consumption, shipment, or storage in the  
17 conduct of its business as an air common carrier, for a flight  
18 destined for or returning from a location or locations outside  
19 the United States without regard to previous or subsequent  
20 domestic stopovers.

21 Beginning July 1, 2013, fuel and petroleum products sold  
22 to or used by an air carrier, certified by the carrier to be  
23 used for consumption, shipment, or storage in the conduct of  
24 its business as an air common carrier, for a flight that (i) is  
25 engaged in foreign trade or is engaged in trade between the  
26 United States and any of its possessions and (ii) transports

1 at least one individual or package for hire from the city of  
2 origination to the city of final destination on the same  
3 aircraft, without regard to a change in the flight number of  
4 that aircraft.

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

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

23 (15) Photoprocessing machinery and equipment, including  
24 repair and replacement parts, both new and used, including  
25 that manufactured on special order, certified by the purchaser  
26 to be used primarily for photoprocessing, and including

1 photoprocessing machinery and equipment purchased for lease.

2 (16) Until July 1, 2028, coal and aggregate exploration,  
3 mining, off-highway hauling, processing, maintenance, and  
4 reclamation equipment, including replacement parts and  
5 equipment, and including equipment purchased for lease, but  
6 excluding motor vehicles required to be registered under the  
7 Illinois Vehicle Code. The changes made to this Section by  
8 Public Act 97-767 apply on and after July 1, 2003, but no claim  
9 for credit or refund is allowed on or after August 16, 2013  
10 (the effective date of Public Act 98-456) for such taxes paid  
11 during the period beginning July 1, 2003 and ending on August  
12 16, 2013 (the effective date of Public Act 98-456).

13 (17) Until July 1, 2003, distillation machinery and  
14 equipment, sold as a unit or kit, assembled or installed by the  
15 retailer, certified by the user to be used only for the  
16 production of ethyl alcohol that will be used for consumption  
17 as motor fuel or as a component of motor fuel for the personal  
18 use of the user, and not subject to sale or resale.

19 (18) Manufacturing and assembling machinery and equipment  
20 used primarily in the process of manufacturing or assembling  
21 tangible personal property for wholesale or retail sale or  
22 lease, whether that sale or lease is made directly by the  
23 manufacturer or by some other person, whether the materials  
24 used in the process are owned by the manufacturer or some other  
25 person, or whether that sale or lease is made apart from or as  
26 an incident to the seller's engaging in the service occupation



1 of producing machines, tools, dies, jigs, patterns, gauges, or  
2 other similar items of no commercial value on special order  
3 for a particular purchaser. The exemption provided by this  
4 paragraph (18) includes production related tangible personal  
5 property, as defined in Section 3-50, purchased on or after  
6 July 1, 2019. The exemption provided by this paragraph (18)  
7 does not include machinery and equipment used in (i) the  
8 generation of electricity for wholesale or retail sale; (ii)  
9 the generation or treatment of natural or artificial gas for  
10 wholesale or retail sale that is delivered to customers  
11 through pipes, pipelines, or mains; or (iii) the treatment of  
12 water for wholesale or retail sale that is delivered to  
13 customers through pipes, pipelines, or mains. The provisions  
14 of Public Act 98-583 are declaratory of existing law as to the  
15 meaning and scope of this exemption. Beginning on July 1,  
16 2017, the exemption provided by this paragraph (18) includes,  
17 but is not limited to, graphic arts machinery and equipment,  
18 as defined in paragraph (6) of this Section.

19 (19) Personal property delivered to a purchaser or  
20 purchaser's donee inside Illinois when the purchase order for  
21 that personal property was received by a florist located  
22 outside Illinois who has a florist located inside Illinois  
23 deliver the personal property.

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

26 (21) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club  
2 Registry of America, Appaloosa Horse Club, American Quarter  
3 Horse Association, United States Trotting Association, or  
4 Jockey Club, as appropriate, used for purposes of breeding or  
5 racing for prizes. This item (21) is exempt from the  
6 provisions of Section 3-90, and the exemption provided for  
7 under this item (21) applies for all periods beginning May 30,  
8 1995, but no claim for credit or refund is allowed on or after  
9 January 1, 2008 for such taxes paid during the period  
10 beginning May 30, 2000 and ending on January 1, 2008.

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

1 this Act or the Service Use Tax Act, as the case may be, if the  
2 tax has not been paid by the lessor. If a lessor improperly  
3 collects any such amount from the lessee, the lessee shall  
4 have a legal right to claim a refund of that amount from the  
5 lessor. If, however, that amount is not refunded to the lessee  
6 for any reason, the lessor is liable to pay that amount to the  
7 Department.

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

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

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

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

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is  
2 used in the Wildlife Code. This paragraph is exempt from the  
3 provisions of Section 3-90.

4 (27) A motor vehicle, as that term is defined in Section  
5 1-146 of the Illinois Vehicle Code, that is donated to a  
6 corporation, limited liability company, society, association,  
7 foundation, or institution that is determined by the  
8 Department to be organized and operated exclusively for  
9 educational purposes. For purposes of this exemption, "a  
10 corporation, limited liability company, society, association,  
11 foundation, or institution organized and operated exclusively  
12 for educational purposes" means all tax-supported public  
13 schools, private schools that offer systematic instruction in  
14 useful branches of learning by methods common to public  
15 schools and that compare favorably in their scope and  
16 intensity with the course of study presented in tax-supported  
17 schools, and vocational or technical schools or institutes  
18 organized and operated exclusively to provide a course of  
19 study of not less than 6 weeks duration and designed to prepare  
20 individuals to follow a trade or to pursue a manual,  
21 technical, mechanical, industrial, business, or commercial  
22 occupation.

23 (28) Beginning January 1, 2000, personal property,  
24 including food, purchased through fundraising events for the  
25 benefit of a public or private elementary or secondary school,  
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school  
2 district that consists primarily of volunteers and includes  
3 parents and teachers of the school children. This paragraph  
4 does not apply to fundraising events (i) for the benefit of  
5 private home instruction or (ii) for which the fundraising  
6 entity purchases the personal property sold at the events from  
7 another individual or entity that sold the property for the  
8 purpose of resale by the fundraising entity and that profits  
9 from the sale to the fundraising entity. This paragraph is  
10 exempt from the provisions of Section 3-90.

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

21 (30) Beginning January 1, 2001 and through June 30, 2016,  
22 food for human consumption that is to be consumed off the  
23 premises where it is sold (other than alcoholic beverages,  
24 soft drinks, and food that has been prepared for immediate  
25 consumption) and prescription and nonprescription medicines,  
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human  
2 use, when purchased for use by a person receiving medical  
3 assistance under Article V of the Illinois Public Aid Code who  
4 resides in a licensed long-term care facility, as defined in  
5 the Nursing Home Care Act, or in a licensed facility as defined  
6 in the ID/DD Community Care Act, the MC/DD Act, or the  
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (31) Beginning on August 2, 2001 (the effective date of  
9 Public Act 92-227), computers and communications equipment  
10 utilized for any hospital purpose and equipment used in the  
11 diagnosis, analysis, or treatment of hospital patients  
12 purchased by a lessor who leases the equipment, under a lease  
13 of one year or longer executed or in effect at the time the  
14 lessor would otherwise be subject to the tax imposed by this  
15 Act, to a hospital that has been issued an active tax exemption  
16 identification number by the Department under Section 1g of  
17 the Retailers' Occupation Tax Act. If the equipment is leased  
18 in a manner that does not qualify for this exemption or is used  
19 in any other nonexempt manner, the lessor shall be liable for  
20 the tax imposed under this Act or the Service Use Tax Act, as  
21 the case may be, based on the fair market value of the property  
22 at the time the nonqualifying use occurs. No lessor shall  
23 collect or attempt to collect an amount (however designated)  
24 that purports to reimburse that lessor for the tax imposed by  
25 this Act or the Service Use Tax Act, as the case may be, if the  
26 tax has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall  
2 have a legal right to claim a refund of that amount from the  
3 lessor. If, however, that amount is not refunded to the lessee  
4 for any reason, the lessor is liable to pay that amount to the  
5 Department. This paragraph is exempt from the provisions of  
6 Section 3-90.

7 (32) Beginning on August 2, 2001 (the effective date of  
8 Public Act 92-227), personal property purchased by a lessor  
9 who leases the property, under a lease of one year or longer  
10 executed or in effect at the time the lessor would otherwise be  
11 subject to the tax imposed by this Act, to a governmental body  
12 that has been issued an active sales tax exemption  
13 identification number by the Department under Section 1g of  
14 the Retailers' Occupation Tax Act. If the property is leased  
15 in a manner that does not qualify for this exemption or used in  
16 any other nonexempt manner, the lessor shall be liable for the  
17 tax imposed under this Act or the Service Use Tax Act, as the  
18 case may be, based on the fair market value of the property at  
19 the time the nonqualifying use occurs. No lessor shall collect  
20 or attempt to collect an amount (however designated) that  
21 purports to reimburse that lessor for the tax imposed by this  
22 Act or the Service Use Tax Act, as the case may be, if the tax  
23 has not been paid by the lessor. If a lessor improperly  
24 collects any such amount from the lessee, the lessee shall  
25 have a legal right to claim a refund of that amount from the  
26 lessor. If, however, that amount is not refunded to the lessee



1 for any reason, the lessor is liable to pay that amount to the  
2 Department. This paragraph is exempt from the provisions of  
3 Section 3-90.

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

23 (34) Beginning January 1, 2008, tangible personal property  
24 used in the construction or maintenance of a community water  
25 supply, as defined under Section 3.145 of the Environmental  
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued  
2 under Title IV of the Environmental Protection Act. This  
3 paragraph is exempt from the provisions of Section 3-90.

4 (35) Beginning January 1, 2010 and continuing through  
5 December 31, 2029, materials, parts, equipment, components,  
6 and furnishings incorporated into or upon an aircraft as part  
7 of the modification, refurbishment, completion, replacement,  
8 repair, or maintenance of the aircraft. This exemption  
9 includes consumable supplies used in the modification,  
10 refurbishment, completion, replacement, repair, and  
11 maintenance of aircraft. However, until January 1, 2024, this  
12 exemption excludes any materials, parts, equipment,  
13 components, and consumable supplies used in the modification,  
14 replacement, repair, and maintenance of aircraft engines or  
15 power plants, whether such engines or power plants are  
16 installed or uninstalled upon any such aircraft. "Consumable  
17 supplies" include, but are not limited to, adhesive, tape,  
18 sandpaper, general purpose lubricants, cleaning solution,  
19 latex gloves, and protective films.

20 Beginning January 1, 2010 and continuing through December  
21 31, 2023, this exemption applies only to the use of qualifying  
22 tangible personal property by persons who modify, refurbish,  
23 complete, repair, replace, or maintain aircraft and who (i)  
24 hold an Air Agency Certificate and are empowered to operate an  
25 approved repair station by the Federal Aviation  
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation  
2 Regulations. From January 1, 2024 through December 31, 2029,  
3 this exemption applies only to the use of qualifying tangible  
4 personal property by: (A) persons who modify, refurbish,  
5 complete, repair, replace, or maintain aircraft and who (i)  
6 hold an Air Agency Certificate and are empowered to operate an  
7 approved repair station by the Federal Aviation  
8 Administration, (ii) have a Class IV Rating, and (iii) conduct  
9 operations in accordance with Part 145 of the Federal Aviation  
10 Regulations; and (B) persons who engage in the modification,  
11 replacement, repair, and maintenance of aircraft engines or  
12 power plants without regard to whether or not those persons  
13 meet the qualifications of item (A).

14 The exemption does not include aircraft operated by a  
15 commercial air carrier providing scheduled passenger air  
16 service pursuant to authority issued under Part 121 or Part  
17 129 of the Federal Aviation Regulations. The changes made to  
18 this paragraph (35) by Public Act 98-534 are declarative of  
19 existing law. It is the intent of the General Assembly that the  
20 exemption under this paragraph (35) applies continuously from  
21 January 1, 2010 through December 31, 2024; however, no claim  
22 for credit or refund is allowed for taxes paid as a result of  
23 the disallowance of this exemption on or after January 1, 2015  
24 and prior to February 5, 2020 (the effective date of Public Act  
25 101-629).

26 (36) Tangible personal property purchased by a

1 public-facilities corporation, as described in Section  
2 11-65-10 of the Illinois Municipal Code, for purposes of  
3 constructing or furnishing a municipal convention hall, but  
4 only if the legal title to the municipal convention hall is  
5 transferred to the municipality without any further  
6 consideration by or on behalf of the municipality at the time  
7 of the completion of the municipal convention hall or upon the  
8 retirement or redemption of any bonds or other debt  
9 instruments issued by the public-facilities corporation in  
10 connection with the development of the municipal convention  
11 hall. This exemption includes existing public-facilities  
12 corporations as provided in Section 11-65-25 of the Illinois  
13 Municipal Code. This paragraph is exempt from the provisions  
14 of Section 3-90.

15 (37) Beginning January 1, 2017 and through December 31,  
16 2026, menstrual pads, tampons, and menstrual cups.

17 (38) Merchandise that is subject to the Rental Purchase  
18 Agreement Occupation and Use Tax. The purchaser must certify  
19 that the item is purchased to be rented subject to a  
20 rental-purchase ~~rental-purchase~~ agreement, as defined in the  
21 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide  
22 proof of registration under the Rental Purchase Agreement  
23 Occupation and Use Tax Act. This paragraph is exempt from the  
24 provisions of Section 3-90.

25 (39) Tangible personal property purchased by a purchaser  
26 who is exempt from the tax imposed by this Act by operation of

1 federal law. This paragraph is exempt from the provisions of  
2 Section 3-90.

3 (40) Qualified tangible personal property used in the  
4 construction or operation of a data center that has been  
5 granted a certificate of exemption by the Department of  
6 Commerce and Economic Opportunity, whether that tangible  
7 personal property is purchased by the owner, operator, or  
8 tenant of the data center or by a contractor or subcontractor  
9 of the owner, operator, or tenant. Data centers that would  
10 have qualified for a certificate of exemption prior to January  
11 1, 2020 had Public Act 101-31 been in effect may apply for and  
12 obtain an exemption for subsequent purchases of computer  
13 equipment or enabling software purchased or leased to upgrade,  
14 supplement, or replace computer equipment or enabling software  
15 purchased or leased in the original investment that would have  
16 qualified.

17 The Department of Commerce and Economic Opportunity shall  
18 grant a certificate of exemption under this item (40) to  
19 qualified data centers as defined by Section 605-1025 of the  
20 Department of Commerce and Economic Opportunity Law of the  
21 Civil Administrative Code of Illinois.

22 For the purposes of this item (40):

23 "Data center" means a building or a series of  
24 buildings rehabilitated or constructed to house working  
25 servers in one physical location or multiple sites within  
26 the State of Illinois.

1           "Qualified tangible personal property" means:  
2           electrical systems and equipment; climate control and  
3           chilling equipment and systems; mechanical systems and  
4           equipment; monitoring and secure systems; emergency  
5           generators; hardware; computers; servers; data storage  
6           devices; network connectivity equipment; racks; cabinets;  
7           telecommunications cabling infrastructure; raised floor  
8           systems; peripheral components or systems; software;  
9           mechanical, electrical, or plumbing systems; battery  
10          systems; cooling systems and towers; temperature control  
11          systems; other cabling; and other data center  
12          infrastructure equipment and systems necessary to operate  
13          qualified tangible personal property, including fixtures;  
14          and component parts of any of the foregoing, including  
15          installation, maintenance, repair, refurbishment, and  
16          replacement of qualified tangible personal property to  
17          generate, transform, transmit, distribute, or manage  
18          electricity necessary to operate qualified tangible  
19          personal property; and all other tangible personal  
20          property that is essential to the operations of a computer  
21          data center. The term "qualified tangible personal  
22          property" also includes building materials physically  
23          incorporated into ~~in to~~ the qualifying data center. To  
24          document the exemption allowed under this Section, the  
25          retailer must obtain from the purchaser a copy of the  
26          certificate of eligibility issued by the Department of

1 Commerce and Economic Opportunity.

2 This item (40) is exempt from the provisions of Section  
3 3-90.

4 (41) Beginning July 1, 2022, breast pumps, breast pump  
5 collection and storage supplies, and breast pump kits. This  
6 item (41) is exempt from the provisions of Section 3-90. As  
7 used in this item (41):

8 "Breast pump" means an electrically controlled or  
9 manually controlled pump device designed or marketed to be  
10 used to express milk from a human breast during lactation,  
11 including the pump device and any battery, AC adapter, or  
12 other power supply unit that is used to power the pump  
13 device and is packaged and sold with the pump device at the  
14 time of sale.

15 "Breast pump collection and storage supplies" means  
16 items of tangible personal property designed or marketed  
17 to be used in conjunction with a breast pump to collect  
18 milk expressed from a human breast and to store collected  
19 milk until it is ready for consumption.

20 "Breast pump collection and storage supplies"  
21 includes, but is not limited to: breast shields and breast  
22 shield connectors; breast pump tubes and tubing adapters;  
23 breast pump valves and membranes; backflow protectors and  
24 backflow protector adaptors; bottles and bottle caps  
25 specific to the operation of the breast pump; and breast  
26 milk storage bags.

1 "Breast pump collection and storage supplies" does not  
2 include: (1) bottles and bottle caps not specific to the  
3 operation of the breast pump; (2) breast pump travel bags  
4 and other similar carrying accessories, including ice  
5 packs, labels, and other similar products; (3) breast pump  
6 cleaning supplies; (4) nursing bras, bra pads, breast  
7 shells, and other similar products; and (5) creams,  
8 ointments, and other similar products that relieve  
9 breastfeeding-related symptoms or conditions of the  
10 breasts or nipples, unless sold as part of a breast pump  
11 kit that is pre-packaged by the breast pump manufacturer  
12 or distributor.

13 "Breast pump kit" means a kit that: (1) contains no  
14 more than a breast pump, breast pump collection and  
15 storage supplies, a rechargeable battery for operating the  
16 breast pump, a breastmilk cooler, bottle stands, ice  
17 packs, and a breast pump carrying case; and (2) is  
18 pre-packaged as a breast pump kit by the breast pump  
19 manufacturer or distributor.

20 (42) Tangible personal property sold by or on behalf of  
21 the State Treasurer pursuant to the Revised Uniform Unclaimed  
22 Property Act. This item (42) is exempt from the provisions of  
23 Section 3-90.

24 (43) Beginning on January 1, 2024, tangible personal  
25 property purchased by an active duty member of the armed  
26 forces of the United States who presents valid military



1 identification and purchases the property using a form of  
2 payment where the federal government is the payor. The member  
3 of the armed forces must complete, at the point of sale, a form  
4 prescribed by the Department of Revenue documenting that the  
5 transaction is eligible for the exemption under this  
6 paragraph. Retailers must keep the form as documentation of  
7 the exemption in their records for a period of not less than 6  
8 years. "Armed forces of the United States" means the United  
9 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
10 This paragraph is exempt from the provisions of Section 3-90.

11 (44) Use by the lessee of the following leased tangible  
12 personal property:

13 (1) software transferred subject to a license that  
14 meets the following requirements:

15 (A) it is evidenced by a written agreement signed  
16 by the licensor and the customer;

17 (i) an electronic agreement in which the  
18 customer accepts the license by means of an  
19 electronic signature that is verifiable and can be  
20 authenticated and is attached to or made part of  
21 the license will comply with this requirement;

22 (ii) a license agreement in which the customer  
23 electronically accepts the terms by clicking "I  
24 agree" does not comply with this requirement;

25 (B) it restricts the customer's duplication and  
26 use of the software;

1           (C) it prohibits the customer from licensing,  
2           sublicensing, or transferring the software to a third  
3           party (except to a related party) without the  
4           permission and continued control of the licensor;

5           (D) the licensor has a policy of providing another  
6           copy at minimal or no charge if the customer loses or  
7           damages the software, or of permitting the licensee to  
8           make and keep an archival copy, and such policy is  
9           either stated in the license agreement, supported by  
10          the licensor's books and records, or supported by a  
11          notarized statement made under penalties of perjury by  
12          the licensor; and

13          (E) the customer must destroy or return all copies  
14          of the software to the licensor at the end of the  
15          license period; this provision is deemed to be met, in  
16          the case of a perpetual license, without being set  
17          forth in the license agreement; and

18          (2) property that is subject to a tax on lease  
19          receipts imposed by a home rule unit of local government  
20          if the ordinance imposing that tax was adopted prior to  
21          January 1, 2023.

22          (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
23          Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,  
24          eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
25          Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,  
26          eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;

1 revised 12-12-23.)

2 (35 ILCS 105/3-10)

3 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
4 Section, the tax imposed by this Act is at the rate of 6.25% of  
5 either the selling price or the fair market value, if any, of  
6 the tangible personal property, which, on and after January 1,  
7 2025, includes leases of tangible personal property. In all  
8 cases where property functionally used or consumed is the same  
9 as the property that was purchased at retail, then the tax is  
10 imposed on the selling price of the property. In all cases  
11 where property functionally used or consumed is a by-product  
12 or waste product that has been refined, manufactured, or  
13 produced from property purchased at retail, then the tax is  
14 imposed on the lower of the fair market value, if any, of the  
15 specific property so used in this State or on the selling price  
16 of the property purchased at retail. For purposes of this  
17 Section "fair market value" means the price at which property  
18 would change hands between a willing buyer and a willing  
19 seller, neither being under any compulsion to buy or sell and  
20 both having reasonable knowledge of the relevant facts. The  
21 fair market value shall be established by Illinois sales by  
22 the taxpayer of the same property as that functionally used or  
23 consumed, or if there are no such sales by the taxpayer, then  
24 comparable sales or purchases of property of like kind and  
25 character in Illinois.

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

5           Beginning on August 6, 2010 through August 15, 2010, and  
6           beginning again on August 5, 2022 through August 14, 2022,  
7           with respect to sales tax holiday items as defined in Section  
8           3-6 of this Act, the tax is imposed at the rate of 1.25%.

9           With respect to gasohol, the tax imposed by this Act  
10          applies to (i) 70% of the proceeds of sales made on or after  
11          January 1, 1990, and before July 1, 2003, (ii) 80% of the  
12          proceeds of sales made on or after July 1, 2003 and on or  
13          before July 1, 2017, (iii) 100% of the proceeds of sales made  
14          after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
15          the proceeds of sales made on or after January 1, 2024 and on  
16          or before December 31, 2028, and (v) 100% of the proceeds of  
17          sales made after December 31, 2028. If, at any time, however,  
18          the tax under this Act on sales of gasohol is imposed at the  
19          rate of 1.25%, then the tax imposed by this Act applies to 100%  
20          of the proceeds of sales of gasohol made during that time.

21          With respect to mid-range ethanol blends, the tax imposed  
22          by this Act applies to (i) 80% of the proceeds of sales made on  
23          or after January 1, 2024 and on or before December 31, 2028 and  
24          (ii) 100% of the proceeds of sales made thereafter. If, at any  
25          time, however, the tax under this Act on sales of mid-range  
26          ethanol blends is imposed at the rate of 1.25%, then the tax

1 imposed by this Act applies to 100% of the proceeds of sales of  
2 mid-range ethanol blends made during that time.

3 With respect to majority blended ethanol fuel, the tax  
4 imposed by this Act does not apply to the proceeds of sales  
5 made on or after July 1, 2003 and on or before December 31,  
6 2028 but applies to 100% of the proceeds of sales made  
7 thereafter.

8 With respect to biodiesel blends with no less than 1% and  
9 no more than 10% biodiesel, the tax imposed by this Act applies  
10 to (i) 80% of the proceeds of sales made on or after July 1,  
11 2003 and on or before December 31, 2018 and (ii) 100% of the  
12 proceeds of sales made after December 31, 2018 and before  
13 January 1, 2024. On and after January 1, 2024 and on or before  
14 December 31, 2030, the taxation of biodiesel, renewable  
15 diesel, and biodiesel blends shall be as provided in Section  
16 3-5.1. If, at any time, however, the tax under this Act on  
17 sales of biodiesel blends with no less than 1% and no more than  
18 10% biodiesel is imposed at the rate of 1.25%, then the tax  
19 imposed by this Act applies to 100% of the proceeds of sales of  
20 biodiesel blends with no less than 1% and no more than 10%  
21 biodiesel made during that time.

22 With respect to biodiesel and biodiesel blends with more  
23 than 10% but no more than 99% biodiesel, the tax imposed by  
24 this Act does not apply to the proceeds of sales made on or  
25 after July 1, 2003 and on or before December 31, 2023. On and  
26 after January 1, 2024 and on or before December 31, 2030, the

1 taxation of biodiesel, renewable diesel, and biodiesel blends  
2 shall be as provided in Section 3-5.1.

3       Until July 1, 2022 and beginning again on July 1, 2023,  
4 with respect to food for human consumption that is to be  
5 consumed off the premises where it is sold (other than  
6 alcoholic beverages, food consisting of or infused with adult  
7 use cannabis, soft drinks, and food that has been prepared for  
8 immediate consumption), the tax is imposed at the rate of 1%.  
9 Beginning on July 1, 2022 and until July 1, 2023, with respect  
10 to food for human consumption that is to be consumed off the  
11 premises where it is sold (other than alcoholic beverages,  
12 food consisting of or infused with adult use cannabis, soft  
13 drinks, and food that has been prepared for immediate  
14 consumption), the tax is imposed at the rate of 0%.

15       With respect to prescription and nonprescription  
16 medicines, drugs, medical appliances, products classified as  
17 Class III medical devices by the United States Food and Drug  
18 Administration that are used for cancer treatment pursuant to  
19 a prescription, as well as any accessories and components  
20 related to those devices, modifications to a motor vehicle for  
21 the purpose of rendering it usable by a person with a  
22 disability, and insulin, blood sugar testing materials,  
23 syringes, and needles used by human diabetics, the tax is  
24 imposed at the rate of 1%. For the purposes of this Section,  
25 until September 1, 2009: the term "soft drinks" means any  
26 complete, finished, ready-to-use, non-alcoholic drink, whether

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

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

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

1 regardless of the location of the vending machine.

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

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

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

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



1 substance or preparation.

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

7 As used in this Section, "adult use cannabis" means  
8 cannabis subject to tax under the Cannabis Cultivation  
9 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
10 and does not include cannabis subject to tax under the  
11 Compassionate Use of Medical Cannabis Program Act.

12 If the property that is purchased at retail from a  
13 retailer is acquired outside Illinois and used outside  
14 Illinois before being brought to Illinois for use here and is  
15 taxable under this Act, the "selling price" on which the tax is  
16 computed shall be reduced by an amount that represents a  
17 reasonable allowance for depreciation for the period of prior  
18 out-of-state use. No depreciation is allowed in cases where  
19 the tax under this Act is imposed on lease receipts.

20 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
21 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section  
22 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.  
23 4-19-22; 103-9, eff. 6-7-23; 103-154 eff. 6-30-23.)

24 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

25 Sec. 3-55. Multistate exemption. To prevent actual or

1 likely multistate taxation, the tax imposed by this Act does  
2 not apply to the use of tangible personal property in this  
3 State under the following circumstances:

4 (a) The use, in this State, of tangible personal property  
5 acquired outside this State by a nonresident individual and  
6 brought into this State by the individual for his or her own  
7 use while temporarily within this State or while passing  
8 through this State.

9 (b) (Blank).

10 (c) The use, in this State, by owners or lessors,  
11 lessees, or shippers of tangible personal property that is  
12 utilized by interstate carriers for hire for use as rolling  
13 stock moving in interstate commerce as long as so used by the  
14 interstate carriers for hire, and equipment operated by a  
15 telecommunications provider, licensed as a common carrier by  
16 the Federal Communications Commission, which is permanently  
17 installed in or affixed to aircraft moving in interstate  
18 commerce.

19 (d) The use, in this State, of tangible personal property  
20 that is acquired outside this State and caused to be brought  
21 into this State by a person who has already paid a tax in  
22 another State in respect to the sale, purchase, or use of that  
23 property, to the extent of the amount of the tax properly due  
24 and paid in the other State.

25 (e) The temporary storage, in this State, of tangible  
26 personal property that is acquired outside this State and

1 that, after being brought into this State and stored here  
2 temporarily, is used solely outside this State or is  
3 physically attached to or incorporated into other tangible  
4 personal property that is used solely outside this State, or  
5 is altered by converting, fabricating, manufacturing,  
6 printing, processing, or shaping, and, as altered, is used  
7 solely outside this State.

8 (f) The temporary storage in this State of building  
9 materials and fixtures that are acquired either in this State  
10 or outside this State by an Illinois registered combination  
11 retailer and construction contractor, and that the purchaser  
12 thereafter uses outside this State by incorporating that  
13 property into real estate located outside this State.

14 (g) The use or purchase of tangible personal property by a  
15 common carrier by rail or motor that receives the physical  
16 possession of the property in Illinois, and that transports  
17 the property, or shares with another common carrier in the  
18 transportation of the property, out of Illinois on a standard  
19 uniform bill of lading showing the seller of the property as  
20 the shipper or consignor of the property to a destination  
21 outside Illinois, for use outside Illinois.

22 (h) Except as provided in subsection (h-1), the use, in  
23 this State, of a motor vehicle that was sold in this State to a  
24 nonresident, even though the motor vehicle is delivered to the  
25 nonresident in this State, if the motor vehicle is not to be  
26 titled in this State, and if a drive-away permit is issued to

1 the motor vehicle as provided in Section 3-603 of the Illinois  
2 Vehicle Code or if the nonresident purchaser has vehicle  
3 registration plates to transfer to the motor vehicle upon  
4 returning to his or her home state. The issuance of the  
5 drive-away permit or having the out-of-state registration  
6 plates to be transferred shall be prima facie evidence that  
7 the motor vehicle will not be titled in this State.

8 (h-1) The exemption under subsection (h) does not apply if  
9 the state in which the motor vehicle will be titled does not  
10 allow a reciprocal exemption for the use in that state of a  
11 motor vehicle sold and delivered in that state to an Illinois  
12 resident but titled in Illinois. The tax collected under this  
13 Act on the sale of a motor vehicle in this State to a resident  
14 of another state that does not allow a reciprocal exemption  
15 shall be imposed at a rate equal to the state's rate of tax on  
16 taxable property in the state in which the purchaser is a  
17 resident, except that the tax shall not exceed the tax that  
18 would otherwise be imposed under this Act. At the time of the  
19 sale, the purchaser shall execute a statement, signed under  
20 penalty of perjury, of his or her intent to title the vehicle  
21 in the state in which the purchaser is a resident within 30  
22 days after the sale and of the fact of the payment to the State  
23 of Illinois of tax in an amount equivalent to the state's rate  
24 of tax on taxable property in his or her state of residence and  
25 shall submit the statement to the appropriate tax collection  
26 agency in his or her state of residence. In addition, the

1 retailer must retain a signed copy of the statement in his or  
2 her records. Nothing in this subsection shall be construed to  
3 require the removal of the vehicle from this state following  
4 the filing of an intent to title the vehicle in the purchaser's  
5 state of residence if the purchaser titles the vehicle in his  
6 or her state of residence within 30 days after the date of  
7 sale. The tax collected under this Act in accordance with this  
8 subsection (h-1) shall be proportionately distributed as if  
9 the tax were collected at the 6.25% general rate imposed under  
10 this Act.

11 (h-2) The following exemptions apply with respect to  
12 certain aircraft:

13 (1) Beginning on July 1, 2007, no tax is imposed under  
14 this Act on the purchase of an aircraft, as defined in  
15 Section 3 of the Illinois Aeronautics Act, if all of the  
16 following conditions are met:

17 (A) the aircraft leaves this State within 15 days  
18 after the later of either the issuance of the final  
19 billing for the purchase of the aircraft or the  
20 authorized approval for return to service, completion  
21 of the maintenance record entry, and completion of the  
22 test flight and ground test for inspection, as  
23 required by 14 C.F.R. 91.407;

24 (B) the aircraft is not based or registered in  
25 this State after the purchase of the aircraft; and

26 (C) the purchaser provides the Department with a

1 signed and dated certification, on a form prescribed  
2 by the Department, certifying that the requirements of  
3 this item (1) are met. The certificate must also  
4 include the name and address of the purchaser, the  
5 address of the location where the aircraft is to be  
6 titled or registered, the address of the primary  
7 physical location of the aircraft, and other  
8 information that the Department may reasonably  
9 require.

10 (2) Beginning on July 1, 2007, no tax is imposed under  
11 this Act on the use of an aircraft, as defined in Section 3  
12 of the Illinois Aeronautics Act, that is temporarily  
13 located in this State for the purpose of a prepurchase  
14 evaluation if all of the following conditions are met:

15 (A) the aircraft is not based or registered in  
16 this State after the prepurchase evaluation; and

17 (B) the purchaser provides the Department with a  
18 signed and dated certification, on a form prescribed  
19 by the Department, certifying that the requirements of  
20 this item (2) are met. The certificate must also  
21 include the name and address of the purchaser, the  
22 address of the location where the aircraft is to be  
23 titled or registered, the address of the primary  
24 physical location of the aircraft, and other  
25 information that the Department may reasonably  
26 require.

1           (3) Beginning on July 1, 2007, no tax is imposed under  
2 this Act on the use of an aircraft, as defined in Section 3  
3 of the Illinois Aeronautics Act, that is temporarily  
4 located in this State for the purpose of a post-sale  
5 customization if all of the following conditions are met:

6           (A) the aircraft leaves this State within 15 days  
7 after the authorized approval for return to service,  
8 completion of the maintenance record entry, and  
9 completion of the test flight and ground test for  
10 inspection, as required by 14 C.F.R. 91.407;

11           (B) the aircraft is not based or registered in  
12 this State either before or after the post-sale  
13 customization; and

14           (C) the purchaser provides the Department with a  
15 signed and dated certification, on a form prescribed  
16 by the Department, certifying that the requirements of  
17 this item (3) are met. The certificate must also  
18 include the name and address of the purchaser, the  
19 address of the location where the aircraft is to be  
20 titled or registered, the address of the primary  
21 physical location of the aircraft, and other  
22 information that the Department may reasonably  
23 require.

24           If tax becomes due under this subsection (h-2) because of  
25 the purchaser's use of the aircraft in this State, the  
26 purchaser shall file a return with the Department and pay the

1 tax on the fair market value of the aircraft. This return and  
2 payment of the tax must be made no later than 30 days after the  
3 aircraft is used in a taxable manner in this State. The tax is  
4 based on the fair market value of the aircraft on the date that  
5 it is first used in a taxable manner in this State.

6 For purposes of this subsection (h-2):

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

11 "Post-sale customization" means any improvement,  
12 maintenance, or repair that is performed on an aircraft  
13 following a transfer of ownership of the aircraft.

14 "Prepurchase evaluation" means an examination of an  
15 aircraft to provide a potential purchaser with information  
16 relevant to the potential purchase.

17 "Registered in this State" means an aircraft registered  
18 with the Department of Transportation, Aeronautics Division,  
19 or titled or registered with the Federal Aviation  
20 Administration to an address located in this State.

21 This subsection (h-2) is exempt from the provisions of  
22 Section 3-90.

23 (i) Beginning July 1, 1999, the use, in this State, of fuel  
24 acquired outside this State and brought into this State in the  
25 fuel supply tanks of locomotives engaged in freight hauling  
26 and passenger service for interstate commerce. This subsection



1 is exempt from the provisions of Section 3-90.

2 (j) Beginning on January 1, 2002 and through June 30,  
3 2016, the use of tangible personal property purchased from an  
4 Illinois retailer by a taxpayer engaged in centralized  
5 purchasing activities in Illinois who will, upon receipt of  
6 the property in Illinois, temporarily store the property in  
7 Illinois (i) for the purpose of subsequently transporting it  
8 outside this State for use or consumption thereafter solely  
9 outside this State or (ii) for the purpose of being processed,  
10 fabricated, or manufactured into, attached to, or incorporated  
11 into other tangible personal property to be transported  
12 outside this State and thereafter used or consumed solely  
13 outside this State. The Director of Revenue shall, pursuant to  
14 rules adopted in accordance with the Illinois Administrative  
15 Procedure Act, issue a permit to any taxpayer in good standing  
16 with the Department who is eligible for the exemption under  
17 this subsection (j). The permit issued under this subsection  
18 (j) shall authorize the holder, to the extent and in the manner  
19 specified in the rules adopted under this Act, to purchase  
20 tangible personal property from a retailer exempt from the  
21 taxes imposed by this Act. Taxpayers shall maintain all  
22 necessary books and records to substantiate the use and  
23 consumption of all such tangible personal property outside of  
24 the State of Illinois.

25 (Source: P.A. 100-321, eff. 8-24-17.)

1 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

2 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
3 and trailers that are required to be registered with an agency  
4 of this State, each retailer required or authorized to collect  
5 the tax imposed by this Act shall pay to the Department the  
6 amount of such tax (except as otherwise provided) at the time  
7 when he is required to file his return for the period during  
8 which such tax was collected, less a discount of 2.1% prior to  
9 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
10 per calendar year, whichever is greater, which is allowed to  
11 reimburse the retailer for expenses incurred in collecting the  
12 tax, keeping records, preparing and filing returns, remitting  
13 the tax and supplying data to the Department on request. When  
14 determining the discount allowed under this Section, retailers  
15 shall include the amount of tax that would have been due at the  
16 6.25% rate but for the 1.25% rate imposed on sales tax holiday  
17 items under Public Act 102-700. The discount under this  
18 Section is not allowed for the 1.25% portion of taxes paid on  
19 aviation fuel that is subject to the revenue use requirements  
20 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. When determining  
21 the discount allowed under this Section, retailers shall  
22 include the amount of tax that would have been due at the 1%  
23 rate but for the 0% rate imposed under Public Act 102-700. In  
24 the case of retailers who report and pay the tax on a  
25 transaction by transaction basis, as provided in this Section,  
26 such discount shall be taken with each such tax remittance

1 instead of when such retailer files his periodic return. The  
2 discount allowed under this Section is allowed only for  
3 returns that are filed in the manner required by this Act. The  
4 Department may disallow the discount for retailers whose  
5 certificate of registration is revoked at the time the return  
6 is filed, but only if the Department's decision to revoke the  
7 certificate of registration has become final. A retailer need  
8 not remit that part of any tax collected by him to the extent  
9 that he is required to remit and does remit the tax imposed by  
10 the Retailers' Occupation Tax Act, with respect to the sale of  
11 the same property.

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

22 In the case of leases, except as otherwise provided in  
23 this Act, the lessor, in collecting the tax, may collect for  
24 each tax return period, only the tax applicable to that part of  
25 the selling price actually received during such tax return  
26 period.

1           Except as provided in this Section, on or before the  
2 twentieth day of each calendar month, such retailer shall file  
3 a return for the preceding calendar month. Such return shall  
4 be filed on forms prescribed by the Department and shall  
5 furnish such information as the Department may reasonably  
6 require. The return shall include the gross receipts on food  
7 for human consumption that is to be consumed off the premises  
8 where it is sold (other than alcoholic beverages, food  
9 consisting of or infused with adult use cannabis, soft drinks,  
10 and food that has been prepared for immediate consumption)  
11 which were received during the preceding calendar month,  
12 quarter, or year, as appropriate, and upon which tax would  
13 have been due but for the 0% rate imposed under Public Act  
14 102-700. The return shall also include the amount of tax that  
15 would have been due on food for human consumption that is to be  
16 consumed off the premises where it is sold (other than  
17 alcoholic beverages, food consisting of or infused with adult  
18 use cannabis, soft drinks, and food that has been prepared for  
19 immediate consumption) but for the 0% rate imposed under  
20 Public Act 102-700.

21           On and after January 1, 2018, except for returns required  
22 to be filed prior to January 1, 2023 for motor vehicles,  
23 watercraft, aircraft, and trailers that are required to be  
24 registered with an agency of this State, with respect to  
25 retailers whose annual gross receipts average \$20,000 or more,  
26 all returns required to be filed pursuant to this Act shall be

1 filed electronically. On and after January 1, 2023, with  
2 respect to retailers whose annual gross receipts average  
3 \$20,000 or more, all returns required to be filed pursuant to  
4 this Act, including, but not limited to, returns for motor  
5 vehicles, watercraft, aircraft, and trailers that are required  
6 to be registered with an agency of this State, shall be filed  
7 electronically. Retailers who demonstrate that they do not  
8 have access to the Internet or demonstrate hardship in filing  
9 electronically may petition the Department to waive the  
10 electronic filing requirement.

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

18 1. The name of the seller;

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

22 3. The total amount of taxable receipts received by  
23 him during the preceding calendar month from sales of  
24 tangible personal property by him during such preceding  
25 calendar month, including receipts from charge and time  
26 sales, but less all deductions allowed by law;

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

3           5. The amount of tax due;

4           5-5. The signature of the taxpayer; and

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

7           Each retailer required or authorized to collect the tax  
8           imposed by this Act on aviation fuel sold at retail in this  
9           State during the preceding calendar month shall, instead of  
10          reporting and paying tax on aviation fuel as otherwise  
11          required by this Section, report and pay such tax on a separate  
12          aviation fuel tax return. The requirements related to the  
13          return shall be as otherwise provided in this Section.  
14          Notwithstanding any other provisions of this Act to the  
15          contrary, retailers collecting tax on aviation fuel shall file  
16          all aviation fuel tax returns and shall make all aviation fuel  
17          tax payments by electronic means in the manner and form  
18          required by the Department. For purposes of this Section,  
19          "aviation fuel" means jet fuel and aviation gasoline.

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

24          Notwithstanding any other provision of this Act to the  
25          contrary, retailers subject to tax on cannabis shall file all  
26          cannabis tax returns and shall make all cannabis tax payments

1 by electronic means in the manner and form required by the  
2 Department.

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

1 rules of the Department by electronic funds transfer.

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 required  
5 to make payments by electronic funds transfer shall make those  
6 payments for a minimum of one year beginning on October 1.

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

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

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

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



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

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

1 to anticipate that his average monthly tax liability for the  
2 reasonably foreseeable future will fall below the \$10,000  
3 threshold stated above, then such taxpayer may petition the  
4 Department for change in such taxpayer's reporting status. On  
5 and after October 1, 2000, once applicable, the requirement of  
6 the making of quarter monthly payments to the Department shall  
7 continue until such taxpayer's average monthly liability to  
8 the Department during the preceding 4 complete calendar  
9 quarters (excluding the month of highest liability and the  
10 month of lowest liability) is less than \$19,000 or until such  
11 taxpayer's average monthly liability to the Department as  
12 computed for each calendar quarter of the 4 preceding complete  
13 calendar quarter period is less than \$20,000. However, if a  
14 taxpayer can show the Department that a substantial change in  
15 the taxpayer's business has occurred which causes the taxpayer  
16 to anticipate that his average monthly tax liability for the  
17 reasonably foreseeable future will fall below the \$20,000  
18 threshold stated above, then such taxpayer may petition the  
19 Department for a change in such taxpayer's reporting status.  
20 The Department shall change such taxpayer's reporting status  
21 unless it finds that such change is seasonal in nature and not  
22 likely to be long term. Quarter monthly payment status shall  
23 be determined under this paragraph as if the rate reduction to  
24 1.25% in Public Act 102-700 on sales tax holiday items had not  
25 occurred. For quarter monthly payments due on or after July 1,  
26 2023 and through June 30, 2024, "25% of the taxpayer's

1 liability for the same calendar month of the preceding year"  
2 shall be determined as if the rate reduction to 1.25% in Public  
3 Act 102-700 on sales tax holiday items had not occurred.  
4 Quarter monthly payment status shall be determined under this  
5 paragraph as if the rate reduction to 0% in Public Act 102-700  
6 on food for human consumption that is to be consumed off the  
7 premises where it is sold (other than alcoholic beverages,  
8 food consisting of or infused with adult use cannabis, soft  
9 drinks, and food that has been prepared for immediate  
10 consumption) had not occurred. For quarter monthly payments  
11 due under this paragraph on or after July 1, 2023 and through  
12 June 30, 2024, "25% of the taxpayer's liability for the same  
13 calendar month of the preceding year" shall be determined as  
14 if the rate reduction to 0% in Public Act 102-700 had not  
15 occurred. If any such quarter monthly payment is not paid at  
16 the time or in the amount required by this Section, then the  
17 taxpayer shall be liable for penalties and interest on the  
18 difference between the minimum amount due and the amount of  
19 such quarter monthly payment actually and timely paid, except  
20 insofar as the taxpayer has previously made payments for that  
21 month to the Department in excess of the minimum payments  
22 previously due as provided in this Section. The Department  
23 shall make reasonable rules and regulations to govern the  
24 quarter monthly payment amount and quarter monthly payment  
25 dates for taxpayers who file on other than a calendar monthly  
26 basis.

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

1 liable for penalties and interest on such difference.

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

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

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

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

1 Department not more than one month after discontinuing such  
2 business.

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

26 In addition, with respect to motor vehicles, watercraft,

1 aircraft, and trailers that are required to be registered with  
2 an agency of this State, every person who is engaged in the  
3 business of leasing or renting such items and who, in  
4 connection with such business, sells any such item to a  
5 retailer for the purpose of resale is, notwithstanding any  
6 other provision of this Section to the contrary, authorized to  
7 meet the return-filing requirement of this Act by reporting  
8 the transfer of all the aircraft, watercraft, motor vehicles,  
9 or trailers transferred for resale during a month to the  
10 Department on the same uniform invoice-transaction reporting  
11 return form on or before the 20th of the month following the  
12 month in which the transfer takes place. Notwithstanding any  
13 other provision of this Act to the contrary, all returns filed  
14 under this paragraph must be filed by electronic means in the  
15 manner and form as required by the Department.

16 The transaction reporting return in the case of motor  
17 vehicles or trailers that are required to be registered with  
18 an agency of this State, shall be the same document as the  
19 Uniform Invoice referred to in Section 5-402 of the Illinois  
20 Vehicle Code and must show the name and address of the seller;  
21 the name and address of the purchaser; the amount of the  
22 selling price including the amount allowed by the retailer for  
23 traded-in property, if any; the amount allowed by the retailer  
24 for the traded-in tangible personal property, if any, to the  
25 extent to which Section 2 of this Act allows an exemption for  
26 the value of traded-in property; the balance payable after



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

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

1     require.

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

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

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

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

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

25           If experience indicates such action to be practicable, the  
26 Department may prescribe and furnish a combination or joint

1 return which will enable retailers, who are required to file  
2 returns hereunder and also under the Retailers' Occupation Tax  
3 Act, to furnish all the return information required by both  
4 Acts on the one form.

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

10 Beginning January 1, 1990, each month the Department shall  
11 pay into the State and Local Sales Tax Reform Fund, a special  
12 fund in the State Treasury which is hereby created, the net  
13 revenue realized for the preceding month from the 1% tax  
14 imposed under this Act.

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

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

1 personal property which is purchased outside Illinois at  
2 retail from a retailer and which is titled or registered by an  
3 agency of this State's government and (ii) aviation fuel sold  
4 on or after December 1, 2019. This exception for aviation fuel  
5 only applies for so long as the revenue use requirements of 49  
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

7 For aviation fuel sold on or after December 1, 2019, each  
8 month the Department shall pay into the State Aviation Program  
9 Fund 20% of the net revenue realized for the preceding month  
10 from the 6.25% general rate on the selling price of aviation  
11 fuel, less an amount estimated by the Department to be  
12 required for refunds of the 20% portion of the tax on aviation  
13 fuel under this Act, which amount shall be deposited into the  
14 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
15 pay moneys into the State Aviation Program Fund and the  
16 Aviation Fuels Sales Tax Refund Fund under this Act for so long  
17 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
18 U.S.C. 47133 are binding on the State.

19 Beginning August 1, 2000, each month the Department shall  
20 pay into the State and Local Sales Tax Reform Fund 100% of the  
21 net revenue realized for the preceding month from the 1.25%  
22 rate on the selling price of motor fuel and gasohol. If, in any  
23 month, the tax on sales tax holiday items, as defined in  
24 Section 3-6, is imposed at the rate of 1.25%, then the  
25 Department shall pay 100% of the net revenue realized for that  
26 month from the 1.25% rate on the selling price of sales tax

1 holiday items into the State and Local Sales Tax Reform Fund.

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

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

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

25 Beginning July 1, 2013, each month the Department shall  
26 pay into the Underground Storage Tank Fund from the proceeds

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

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

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



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

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

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

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

19	Fiscal Year	Total Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000
26	1999	71,000,000

1	2000	75,000,000
2	2001	80,000,000
3	2002	93,000,000
4	2003	99,000,000
5	2004	103,000,000
6	2005	108,000,000
7	2006	113,000,000
8	2007	119,000,000
9	2008	126,000,000
10	2009	132,000,000
11	2010	139,000,000
12	2011	146,000,000
13	2012	153,000,000
14	2013	161,000,000
15	2014	170,000,000
16	2015	179,000,000
17	2016	189,000,000
18	2017	199,000,000
19	2018	210,000,000
20	2019	221,000,000
21	2020	233,000,000
22	2021	300,000,000
23	2022	300,000,000
24	2023	300,000,000
25	2024	300,000,000
26	2025	300,000,000

1	2026	300,000,000
2	2027	375,000,000
3	2028	375,000,000
4	2029	375,000,000
5	2030	375,000,000
6	2031	375,000,000
7	2032	375,000,000
8	2033	375,000,000
9	2034	375,000,000
10	2035	375,000,000
11	2036	450,000,000

12                   and  
13                    each fiscal year  
14                   thereafter that bonds  
15                   are outstanding under  
16                   Section 13.2 of the  
17                   Metropolitan Pier and  
18                   Exposition Authority Act,  
19                   but not after fiscal year 2060.

20                   Beginning July 20, 1993 and in each month of each fiscal  
21                   year thereafter, one-eighth of the amount requested in the  
22                   certificate of the Chairman of the Metropolitan Pier and  
23                   Exposition Authority for that fiscal year, less the amount  
24                   deposited into the McCormick Place Expansion Project Fund by  
25                   the State Treasurer in the respective month under subsection  
26                   (g) of Section 13 of the Metropolitan Pier and Exposition

1 Authority Act, plus cumulative deficiencies in the deposits  
2 required under this Section for previous months and years,  
3 shall be deposited into the McCormick Place Expansion Project  
4 Fund, until the full amount requested for the fiscal year, but  
5 not in excess of the amount specified above as "Total  
6 Deposit", has been deposited.

7 Subject to payment of amounts into the Capital Projects  
8 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
9 and the McCormick Place Expansion Project Fund pursuant to the  
10 preceding paragraphs or in any amendments thereto hereafter  
11 enacted, for aviation fuel sold on or after December 1, 2019,  
12 the Department shall each month deposit into the Aviation Fuel  
13 Sales Tax Refund Fund an amount estimated by the Department to  
14 be required for refunds of the 80% portion of the tax on  
15 aviation fuel under this Act. The Department shall only  
16 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
17 under this paragraph for so long as the revenue use  
18 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
19 binding on the State.

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

1 price of tangible personal property.

2 Subject to payment of amounts into the Build Illinois  
3 Fund, the McCormick Place Expansion Project Fund, the Illinois  
4 Tax Increment Fund, and the Energy Infrastructure Fund  
5 pursuant to the preceding paragraphs or in any amendments to  
6 this Section hereafter enacted, beginning on the first day of  
7 the first calendar month to occur on or after August 26, 2014  
8 (the effective date of Public Act 98-1098), each month, from  
9 the collections made under Section 9 of the Use Tax Act,  
10 Section 9 of the Service Use Tax Act, Section 9 of the Service  
11 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
12 Tax Act, the Department shall pay into the Tax Compliance and  
13 Administration Fund, to be used, subject to appropriation, to  
14 fund additional auditors and compliance personnel at the  
15 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
16 the cash receipts collected during the preceding fiscal year  
17 by the Audit Bureau of the Department under the Use Tax Act,  
18 the Service Use Tax Act, the Service Occupation Tax Act, the  
19 Retailers' Occupation Tax Act, and associated local occupation  
20 and use taxes administered by the Department.

21 Subject to payments of amounts into the Build Illinois  
22 Fund, the McCormick Place Expansion Project Fund, the Illinois  
23 Tax Increment Fund, and the Tax Compliance and Administration  
24 Fund as provided in this Section, beginning on July 1, 2018 the  
25 Department shall pay each month into the Downstate Public  
26 Transportation Fund the moneys required to be so paid under

1 Section 2-3 of the Downstate Public Transportation Act.

2 Subject to successful execution and delivery of a  
3 public-private agreement between the public agency and private  
4 entity and completion of the civic build, beginning on July 1,  
5 2023, of the remainder of the moneys received by the  
6 Department under the Use Tax Act, the Service Use Tax Act, the  
7 Service Occupation Tax Act, and this Act, the Department shall  
8 deposit the following specified deposits in the aggregate from  
9 collections under the Use Tax Act, the Service Use Tax Act, the  
10 Service Occupation Tax Act, and the Retailers' Occupation Tax  
11 Act, as required under Section 8.25g of the State Finance Act  
12 for distribution consistent with the Public-Private  
13 Partnership for Civic and Transit Infrastructure Project Act.  
14 The moneys received by the Department pursuant to this Act and  
15 required to be deposited into the Civic and Transit  
16 Infrastructure Fund are subject to the pledge, claim, and  
17 charge set forth in Section 25-55 of the Public-Private  
18 Partnership for Civic and Transit Infrastructure Project Act.  
19 As used in this paragraph, "civic build", "private entity",  
20 "public-private agreement", and "public agency" have the  
21 meanings provided in Section 25-10 of the Public-Private  
22 Partnership for Civic and Transit Infrastructure Project Act.

23	Fiscal Year.....	Total Deposit
24	2024 .....	\$200,000,000
25	2025 .....	\$206,000,000
26	2026 .....	\$212,200,000



1	2027	.....	\$218,500,000
2	2028	.....	\$225,100,000
3	2029	.....	\$288,700,000
4	2030	.....	\$298,900,000
5	2031	.....	\$309,300,000
6	2032	.....	\$320,100,000
7	2033	.....	\$331,200,000
8	2034	.....	\$341,200,000
9	2035	.....	\$351,400,000
10	2036	.....	\$361,900,000
11	2037	.....	\$372,800,000
12	2038	.....	\$384,000,000
13	2039	.....	\$395,500,000
14	2040	.....	\$407,400,000
15	2041	.....	\$419,600,000
16	2042	.....	\$432,200,000
17	2043	.....	\$445,100,000

18           Beginning July 1, 2021 and until July 1, 2022, subject to  
19 the payment of amounts into the State and Local Sales Tax  
20 Reform Fund, the Build Illinois Fund, the McCormick Place  
21 Expansion Project Fund, the Illinois Tax Increment Fund, and  
22 the Tax Compliance and Administration Fund as provided in this  
23 Section, the Department shall pay each month into the Road  
24 Fund the amount estimated to represent 16% of the net revenue  
25 realized from the taxes imposed on motor fuel and gasohol.  
26 Beginning July 1, 2022 and until July 1, 2023, subject to the

1 payment of amounts into the State and Local Sales Tax Reform  
2 Fund, the Build Illinois Fund, the McCormick Place Expansion  
3 Project Fund, the Illinois Tax Increment Fund, and the Tax  
4 Compliance and Administration Fund as provided in this  
5 Section, the Department shall pay each month into the Road  
6 Fund the amount estimated to represent 32% of the net revenue  
7 realized from the taxes imposed on motor fuel and gasohol.  
8 Beginning July 1, 2023 and until July 1, 2024, subject to the  
9 payment of amounts into the State and Local Sales Tax Reform  
10 Fund, the Build Illinois Fund, the McCormick Place Expansion  
11 Project Fund, the Illinois Tax Increment Fund, and the Tax  
12 Compliance and Administration Fund as provided in this  
13 Section, the Department shall pay each month into the Road  
14 Fund the amount estimated to represent 48% of the net revenue  
15 realized from the taxes imposed on motor fuel and gasohol.  
16 Beginning July 1, 2024 and until July 1, 2025, subject to the  
17 payment of amounts into the State and Local Sales Tax Reform  
18 Fund, the Build Illinois Fund, the McCormick Place Expansion  
19 Project Fund, the Illinois Tax Increment Fund, and the Tax  
20 Compliance and Administration Fund as provided in this  
21 Section, the Department shall pay each month into the Road  
22 Fund the amount estimated to represent 64% of the net revenue  
23 realized from the taxes imposed on motor fuel and gasohol.  
24 Beginning on July 1, 2025, subject to the payment of amounts  
25 into the State and Local Sales Tax Reform Fund, the Build  
26 Illinois Fund, the McCormick Place Expansion Project Fund, the

1 Illinois Tax Increment Fund, and the Tax Compliance and  
2 Administration Fund as provided in this Section, the  
3 Department shall pay each month into the Road Fund the amount  
4 estimated to represent 80% of the net revenue realized from  
5 the taxes imposed on motor fuel and gasohol. As used in this  
6 paragraph "motor fuel" has the meaning given to that term in  
7 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the  
8 meaning given to that term in Section 3-40 of this Act.

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

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

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

26 For greater simplicity of administration, manufacturers,

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

7 (Source: P.A. 102-700, Article 60, Section 60-15, eff.  
8 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;  
9 102-1019, eff. 1-1-23; 103-154, eff. 6-30-23; 103-363, eff.  
10 7-28-23.)

11 Section 75-10. The Service Use Tax Act is amended by  
12 changing Sections 2, 3, 3-5, 3-10, and 9 and by adding Section  
13 1.05 as follows:

14 (35 ILCS 110/1.05 new)

15 Sec. 1.05. Legislative intent; leases. It is the intent of  
16 the General Assembly in enacting this amendatory Act of the  
17 103rd General Assembly to apply the tax imposed under this  
18 Act, except as otherwise provided in this Act, to the  
19 privilege of using tangible personal property, other than  
20 motor vehicles, watercraft, aircraft, and semitrailers, as  
21 defined in Section 1-187 of the Illinois Vehicle Code, that  
22 are required to be registered with an agency of this State,  
23 transferred by lease, as an incident of a purchase of service,  
24 for leases in effect, entered into, or renewed on or after

1 January 1, 2025.

2 (35 ILCS 110/2) (from Ch. 120, par. 439.32)

3 Sec. 2. Definitions. In this Act:

4 "Use" means the exercise by any person of any right or  
5 power over tangible personal property incident to the  
6 ownership of that property, or, on and after January 1, 2025,  
7 incident to the possession or control of, the right to possess  
8 or control, or a license to use that property through a lease,  
9 but does not include the sale or use for demonstration by him  
10 of that property in any form as tangible personal property in  
11 the regular course of business. "Use" does not mean the  
12 interim use of tangible personal property. On and after  
13 January 1, 2025, the lease of tangible personal property to a  
14 lessee by a serviceman who is subject to tax on lease receipts  
15 under this amendatory Act of the 103rd General Assembly does  
16 not qualify as demonstration use or interim use of that  
17 property. "Use" does not mean ~~nor~~ the physical incorporation  
18 of tangible personal property, as an ingredient or  
19 constituent, into other tangible personal property, (a) which  
20 is sold in the regular course of business or (b) which the  
21 person incorporating such ingredient or constituent therein  
22 has undertaken at the time of such purchase to cause to be  
23 transported in interstate commerce to destinations outside the  
24 State of Illinois.

25 "Lease" means a transfer of the possession or control of,

1 the right to possess or control, or a license to use, but not  
2 title to, tangible personal property for a fixed or  
3 indeterminate term for consideration, regardless of the name  
4 by which the transaction is called. "Lease" does not include a  
5 lease entered into merely as a security agreement that does  
6 not involve a transfer of possession from the lessor to the  
7 lessee.

8 On and after January 1, 2025, the term "sale", when used in  
9 this Act with respect to tangible personal property, includes  
10 a lease.

11 "Purchased from a serviceman" means the acquisition of the  
12 ownership of, the ~~or~~ title to, the possession or control of,  
13 the right to possess or control, or a license to use, tangible  
14 personal property through a sale of service.

15 "Purchaser" means any person who, through a sale of  
16 service, acquires the ownership of, the ~~or~~ title to, the  
17 possession or control of, the right to possess or control, or a  
18 license to use, any tangible personal property.

19 "Cost price" means the consideration paid by the  
20 serviceman for a purchase, including, on and after January 1,  
21 2025, a lease, valued in money, whether paid in money or  
22 otherwise, including cash, credits and services, and shall be  
23 determined without any deduction on account of the supplier's  
24 cost of the property sold or on account of any other expense  
25 incurred by the supplier. When a serviceman contracts out part  
26 or all of the services required in his sale of service, it

1 shall be presumed that the cost price to the serviceman of the  
2 property transferred to him or her by his or her subcontractor  
3 is equal to 50% of the subcontractor's charges to the  
4 serviceman in the absence of proof of the consideration paid  
5 by the subcontractor for the purchase of such property.

6 "Selling price" means the consideration for a sale,  
7 including, on and after January 1, 2025, a lease, valued in  
8 money whether received in money or otherwise, including cash,  
9 credits and service, and shall be determined without any  
10 deduction on account of the serviceman's cost of the property  
11 sold, the cost of materials used, labor or service cost or any  
12 other expense whatsoever, but does not include interest or  
13 finance charges which appear as separate items on the bill of  
14 sale or sales contract nor charges that are added to prices by  
15 sellers on account of the seller's duty to collect, from the  
16 purchaser, the tax that is imposed by this Act.

17 "Department" means the Department of Revenue.

18 "Person" means any natural individual, firm, partnership,  
19 association, joint stock company, joint venture, public or  
20 private corporation, limited liability company, and any  
21 receiver, executor, trustee, guardian or other representative  
22 appointed by order of any court.

23 "Sale of service" means any transaction except:

24 (1) a retail sale of tangible personal property  
25 taxable under the Retailers' Occupation Tax Act or under  
26 the Use Tax Act.

1           (2) a sale of tangible personal property for the  
2 purpose of resale made in compliance with Section 2c of  
3 the Retailers' Occupation Tax Act.

4           (3) except as hereinafter provided, a sale or transfer  
5 of tangible personal property as an incident to the  
6 rendering of service for or by any governmental body, or  
7 for or by any corporation, society, association,  
8 foundation or institution organized and operated  
9 exclusively for charitable, religious or educational  
10 purposes or any not-for-profit corporation, society,  
11 association, foundation, institution or organization which  
12 has no compensated officers or employees and which is  
13 organized and operated primarily for the recreation of  
14 persons 55 years of age or older. A limited liability  
15 company may qualify for the exemption under this paragraph  
16 only if the limited liability company is organized and  
17 operated exclusively for educational purposes.

18           (4) (blank).

19           (4a) a sale or transfer of tangible personal property  
20 as an incident to the rendering of service for owners or ~~7~~  
21 lessors, lessees, or shippers of tangible personal  
22 property which is utilized by interstate carriers for hire  
23 for use as rolling stock moving in interstate commerce so  
24 long as so used by interstate carriers for hire, and  
25 equipment operated by a telecommunications provider,  
26 licensed as a common carrier by the Federal Communications



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

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

24 (5) a sale or transfer of machinery and equipment used  
25 primarily in the process of the manufacturing or  
26 assembling, either in an existing, an expanded or a new

1 manufacturing facility, of tangible personal property for  
2 wholesale or retail sale or lease, whether such sale or  
3 lease is made directly by the manufacturer or by some  
4 other person, whether the materials used in the process  
5 are owned by the manufacturer or some other person, or  
6 whether such sale or lease is made apart from or as an  
7 incident to the seller's engaging in a service occupation  
8 and the applicable tax is a Service Use Tax or Service  
9 Occupation Tax, rather than Use Tax or Retailers'  
10 Occupation Tax. The exemption provided by this paragraph  
11 (5) includes production related tangible personal  
12 property, as defined in Section 3-50 of the Use Tax Act,  
13 purchased on or after July 1, 2019. The exemption provided  
14 by this paragraph (5) does not include machinery and  
15 equipment used in (i) the generation of electricity for  
16 wholesale or retail sale; (ii) the generation or treatment  
17 of natural or artificial gas for wholesale or retail sale  
18 that is delivered to customers through pipes, pipelines,  
19 or mains; or (iii) the treatment of water for wholesale or  
20 retail sale that is delivered to customers through pipes,  
21 pipelines, or mains. The provisions of Public Act 98-583  
22 are declaratory of existing law as to the meaning and  
23 scope of this exemption. The exemption under this  
24 paragraph (5) is exempt from the provisions of Section  
25 3-75.

26 (5a) the repairing, reconditioning or remodeling, for

1 a common carrier by rail, of tangible personal property  
2 which belongs to such carrier for hire, and as to which  
3 such carrier receives the physical possession of the  
4 repaired, reconditioned or remodeled item of tangible  
5 personal property in Illinois, and which such carrier  
6 transports, or shares with another common carrier in the  
7 transportation of such property, out of Illinois on a  
8 standard uniform bill of lading showing the person who  
9 repaired, reconditioned or remodeled the property to a  
10 destination outside Illinois, for use outside Illinois.

11 (5b) a sale or transfer of tangible personal property  
12 which is produced by the seller thereof on special order  
13 in such a way as to have made the applicable tax the  
14 Service Occupation Tax or the Service Use Tax, rather than  
15 the Retailers' Occupation Tax or the Use Tax, for an  
16 interstate carrier by rail which receives the physical  
17 possession of such property in Illinois, and which  
18 transports such property, or shares with another common  
19 carrier in the transportation of such property, out of  
20 Illinois on a standard uniform bill of lading showing the  
21 seller of the property as the shipper or consignor of such  
22 property to a destination outside Illinois, for use  
23 outside Illinois.

24 (6) until July 1, 2003, a sale or transfer of  
25 distillation machinery and equipment, sold as a unit or  
26 kit and assembled or installed by the retailer, which

1 machinery and equipment is certified by the user to be  
2 used only for the production of ethyl alcohol that will be  
3 used for consumption as motor fuel or as a component of  
4 motor fuel for the personal use of such user and not  
5 subject to sale or resale.

6 (7) at the election of any serviceman not required to  
7 be otherwise registered as a retailer under Section 2a of  
8 the Retailers' Occupation Tax Act, made for each fiscal  
9 year sales of service in which the aggregate annual cost  
10 price of tangible personal property transferred as an  
11 incident to the sales of service is less than 35%, or 75%  
12 in the case of servicemen transferring prescription drugs  
13 or servicemen engaged in graphic arts production, of the  
14 aggregate annual total gross receipts from all sales of  
15 service. The purchase of such tangible personal property  
16 by the serviceman shall be subject to tax under the  
17 Retailers' Occupation Tax Act and the Use Tax Act.  
18 However, if a primary serviceman who has made the election  
19 described in this paragraph subcontracts service work to a  
20 secondary serviceman who has also made the election  
21 described in this paragraph, the primary serviceman does  
22 not incur a Use Tax liability if the secondary serviceman  
23 (i) has paid or will pay Use Tax on his or her cost price  
24 of any tangible personal property transferred to the  
25 primary serviceman and (ii) certifies that fact in writing  
26 to the primary serviceman.

1           Tangible personal property transferred incident to the  
2 completion of a maintenance agreement is exempt from the tax  
3 imposed pursuant to this Act.

4           Exemption (5) also includes machinery and equipment used  
5 in the general maintenance or repair of such exempt machinery  
6 and equipment or for in-house manufacture of exempt machinery  
7 and equipment. On and after July 1, 2017, exemption (5) also  
8 includes graphic arts machinery and equipment, as defined in  
9 paragraph (5) of Section 3-5. The machinery and equipment  
10 exemption does not include machinery and equipment used in (i)  
11 the generation of electricity for wholesale or retail sale;  
12 (ii) the generation or treatment of natural or artificial gas  
13 for wholesale or retail sale that is delivered to customers  
14 through pipes, pipelines, or mains; or (iii) the treatment of  
15 water for wholesale or retail sale that is delivered to  
16 customers through pipes, pipelines, or mains. The provisions  
17 of Public Act 98-583 are declaratory of existing law as to the  
18 meaning and scope of this exemption. For the purposes of  
19 exemption (5), each of these terms shall have the following  
20 meanings: (1) "manufacturing process" shall mean the  
21 production of any article of tangible personal property,  
22 whether such article is a finished product or an article for  
23 use in the process of manufacturing or assembling a different  
24 article of tangible personal property, by procedures commonly  
25 regarded as manufacturing, processing, fabricating, or  
26 refining which changes some existing material or materials

1 into a material with a different form, use or name. In relation  
2 to a recognized integrated business composed of a series of  
3 operations which collectively constitute manufacturing, or  
4 individually constitute manufacturing operations, the  
5 manufacturing process shall be deemed to commence with the  
6 first operation or stage of production in the series, and  
7 shall not be deemed to end until the completion of the final  
8 product in the last operation or stage of production in the  
9 series; and further, for purposes of exemption (5),  
10 photoprocessing is deemed to be a manufacturing process of  
11 tangible personal property for wholesale or retail sale; (2)  
12 "assembling process" shall mean the production of any article  
13 of tangible personal property, whether such article is a  
14 finished product or an article for use in the process of  
15 manufacturing or assembling a different article of tangible  
16 personal property, by the combination of existing materials in  
17 a manner commonly regarded as assembling which results in a  
18 material of a different form, use or name; (3) "machinery"  
19 shall mean major mechanical machines or major components of  
20 such machines contributing to a manufacturing or assembling  
21 process; and (4) "equipment" shall include any independent  
22 device or tool separate from any machinery but essential to an  
23 integrated manufacturing or assembly process; including  
24 computers used primarily in a manufacturer's computer assisted  
25 design, computer assisted manufacturing (CAD/CAM) system; or  
26 any subunit or assembly comprising a component of any

1 machinery or auxiliary, adjunct or attachment parts of  
2 machinery, such as tools, dies, jigs, fixtures, patterns and  
3 molds; or any parts which require periodic replacement in the  
4 course of normal operation; but shall not include hand tools.  
5 Equipment includes chemicals or chemicals acting as catalysts  
6 but only if the chemicals or chemicals acting as catalysts  
7 effect a direct and immediate change upon a product being  
8 manufactured or assembled for wholesale or retail sale or  
9 lease. The purchaser of such machinery and equipment who has  
10 an active resale registration number shall furnish such number  
11 to the seller at the time of purchase. The purchaser of such  
12 machinery and equipment and tools without an active resale  
13 registration number shall prepare a certificate of exemption  
14 stating facts establishing the exemption, which certificate  
15 shall be available to the Department for inspection or audit.  
16 The Department shall prescribe the form of the certificate.

17 Any informal rulings, opinions or letters issued by the  
18 Department in response to an inquiry or request for any  
19 opinion from any person regarding the coverage and  
20 applicability of exemption (5) to specific devices shall be  
21 published, maintained as a public record, and made available  
22 for public inspection and copying. If the informal ruling,  
23 opinion or letter contains trade secrets or other confidential  
24 information, where possible the Department shall delete such  
25 information prior to publication. Whenever such informal  
26 rulings, opinions, or letters contain any policy of general

1 applicability, the Department shall formulate and adopt such  
2 policy as a rule in accordance with the provisions of the  
3 Illinois Administrative Procedure Act.

4 On and after July 1, 1987, no entity otherwise eligible  
5 under exemption (3) of this Section shall make tax-free  
6 purchases unless it has an active exemption identification  
7 number issued by the Department.

8 The purchase, employment and transfer of such tangible  
9 personal property as newsprint and ink for the primary purpose  
10 of conveying news (with or without other information) is not a  
11 purchase, use or sale of service or of tangible personal  
12 property within the meaning of this Act.

13 "Serviceman" means any person who is engaged in the  
14 occupation of making sales of service.

15 "Sale at retail" means "sale at retail" as defined in the  
16 Retailers' Occupation Tax Act, which, on and after January 1,  
17 2025, is defined to include leases.

18 "Supplier" means any person who makes sales of tangible  
19 personal property to servicemen for the purpose of resale as  
20 an incident to a sale of service.

21 "Serviceman maintaining a place of business in this  
22 State", or any like term, means and includes any serviceman:

23 (1) having or maintaining within this State, directly  
24 or by a subsidiary, an office, distribution house, sales  
25 house, warehouse or other place of business, or any agent  
26 or other representative operating within this State under



1 the authority of the serviceman or its subsidiary,  
2 irrespective of whether such place of business or agent or  
3 other representative is located here permanently or  
4 temporarily, or whether such serviceman or subsidiary is  
5 licensed to do business in this State;

6 (1.1) having a contract with a person located in this  
7 State under which the person, for a commission or other  
8 consideration based on the sale of service by the  
9 serviceman, directly or indirectly refers potential  
10 customers to the serviceman by providing to the potential  
11 customers a promotional code or other mechanism that  
12 allows the serviceman to track purchases referred by such  
13 persons. Examples of mechanisms that allow the serviceman  
14 to track purchases referred by such persons include but  
15 are not limited to the use of a link on the person's  
16 Internet website, promotional codes distributed through  
17 the person's hand-delivered or mailed material, and  
18 promotional codes distributed by the person through radio  
19 or other broadcast media. The provisions of this paragraph  
20 (1.1) shall apply only if the cumulative gross receipts  
21 from sales of service by the serviceman to customers who  
22 are referred to the serviceman by all persons in this  
23 State under such contracts exceed \$10,000 during the  
24 preceding 4 quarterly periods ending on the last day of  
25 March, June, September, and December; a serviceman meeting  
26 the requirements of this paragraph (1.1) shall be presumed

1 to be maintaining a place of business in this State but may  
2 rebut this presumption by submitting proof that the  
3 referrals or other activities pursued within this State by  
4 such persons were not sufficient to meet the nexus  
5 standards of the United States Constitution during the  
6 preceding 4 quarterly periods;

7 (1.2) beginning July 1, 2011, having a contract with a  
8 person located in this State under which:

9 (A) the serviceman sells the same or substantially  
10 similar line of services as the person located in this  
11 State and does so using an identical or substantially  
12 similar name, trade name, or trademark as the person  
13 located in this State; and

14 (B) the serviceman provides a commission or other  
15 consideration to the person located in this State  
16 based upon the sale of services by the serviceman.

17 The provisions of this paragraph (1.2) shall apply only if  
18 the cumulative gross receipts from sales of service by the  
19 serviceman to customers in this State under all such  
20 contracts exceed \$10,000 during the preceding 4 quarterly  
21 periods ending on the last day of March, June, September,  
22 and December;

23 (2) soliciting orders for tangible personal property  
24 by means of a telecommunication or television shopping  
25 system (which utilizes toll free numbers) which is  
26 intended by the retailer to be broadcast by cable

1 television or other means of broadcasting, to consumers  
2 located in this State;

3 (3) pursuant to a contract with a broadcaster or  
4 publisher located in this State, soliciting orders for  
5 tangible personal property by means of advertising which  
6 is disseminated primarily to consumers located in this  
7 State and only secondarily to bordering jurisdictions;

8 (4) soliciting orders for tangible personal property  
9 by mail if the solicitations are substantial and recurring  
10 and if the retailer benefits from any banking, financing,  
11 debt collection, telecommunication, or marketing  
12 activities occurring in this State or benefits from the  
13 location in this State of authorized installation,  
14 servicing, or repair facilities;

15 (5) being owned or controlled by the same interests  
16 which own or control any retailer engaging in business in  
17 the same or similar line of business in this State;

18 (6) having a franchisee or licensee operating under  
19 its trade name if the franchisee or licensee is required  
20 to collect the tax under this Section;

21 (7) pursuant to a contract with a cable television  
22 operator located in this State, soliciting orders for  
23 tangible personal property by means of advertising which  
24 is transmitted or distributed over a cable television  
25 system in this State;

26 (8) engaging in activities in Illinois, which

1 activities in the state in which the supply business  
2 engaging in such activities is located would constitute  
3 maintaining a place of business in that state; or

4 (9) beginning October 1, 2018, making sales of service  
5 to purchasers in Illinois from outside of Illinois if:

6 (A) the cumulative gross receipts from sales of  
7 service to purchasers in Illinois are \$100,000 or  
8 more; or

9 (B) the serviceman enters into 200 or more  
10 separate transactions for sales of service to  
11 purchasers in Illinois.

12 The serviceman shall determine on a quarterly basis,  
13 ending on the last day of March, June, September, and  
14 December, whether he or she meets the criteria of either  
15 subparagraph (A) or (B) of this paragraph (9) for the  
16 preceding 12-month period. If the serviceman meets the  
17 criteria of either subparagraph (A) or (B) for a 12-month  
18 period, he or she is considered a serviceman maintaining a  
19 place of business in this State and is required to collect  
20 and remit the tax imposed under this Act and file returns  
21 for one year. At the end of that one-year period, the  
22 serviceman shall determine whether the serviceman met the  
23 criteria of either subparagraph (A) or (B) during the  
24 preceding 12-month period. If the serviceman met the  
25 criteria in either subparagraph (A) or (B) for the  
26 preceding 12-month period, he or she is considered a

1           serviceman maintaining a place of business in this State  
2           and is required to collect and remit the tax imposed under  
3           this Act and file returns for the subsequent year. If at  
4           the end of a one-year period a serviceman that was  
5           required to collect and remit the tax imposed under this  
6           Act determines that he or she did not meet the criteria in  
7           either subparagraph (A) or (B) during the preceding  
8           12-month period, the serviceman subsequently shall  
9           determine on a quarterly basis, ending on the last day of  
10          March, June, September, and December, whether he or she  
11          meets the criteria of either subparagraph (A) or (B) for  
12          the preceding 12-month period.

13           Beginning January 1, 2020, neither the gross receipts  
14          from nor the number of separate transactions for sales of  
15          service to purchasers in Illinois that a serviceman makes  
16          through a marketplace facilitator and for which the  
17          serviceman has received a certification from the  
18          marketplace facilitator pursuant to Section 2d of this Act  
19          shall be included for purposes of determining whether he  
20          or she has met the thresholds of this paragraph (9).

21           (10) Beginning January 1, 2020, a marketplace  
22          facilitator, as defined in Section 2d of this Act.

23          (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;  
24          100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 101-9, Article  
25          10, Section 10-15, eff. 6-5-19; 101-9, Article 25, Section  
26          25-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

1 (35 ILCS 110/3) (from Ch. 120, par. 439.33)

2 Sec. 3. Tax imposed. A tax is imposed upon the privilege of  
3 using in this State real or tangible personal property  
4 acquired, which, on and after January 1, 2025, includes  
5 tangible personal property acquired through a lease, as an  
6 incident to the purchase of a service from a serviceman,  
7 including computer software, and including photographs,  
8 negatives, and positives that are the product of  
9 photoprocessing, but not including products of photoprocessing  
10 produced for use in motion pictures for public commercial  
11 exhibition. Beginning January 1, 2001, prepaid telephone  
12 calling arrangements shall be considered tangible personal  
13 property subject to the tax imposed under this Act regardless  
14 of the form in which those arrangements may be embodied,  
15 transmitted, or fixed by any method now known or hereafter  
16 developed. Purchases of (1) electricity delivered to customers  
17 by wire; (2) natural or artificial gas that is delivered to  
18 customers through pipes, pipelines, or mains; and (3) water  
19 that is delivered to customers through pipes, pipelines, or  
20 mains are not subject to tax under this Act. The provisions of  
21 this amendatory Act of the 98th General Assembly are  
22 declaratory of existing law as to the meaning and scope of this  
23 Act.

24 The imposition of the tax under this Act on leases applies  
25 to leases of tangible personal property in effect, entered

1 into, or renewed on or after January 1, 2025. In the case of  
2 leases, except as otherwise provided in this Act, the  
3 serviceman who is a lessor, in collecting the tax, may collect  
4 for each tax return period only the tax applicable to that part  
5 of the selling price actually received during such tax return  
6 period.

7 (Source: P.A. 98-583, eff. 1-1-14.)

8 (35 ILCS 110/3-5)

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

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

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

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

1 support of arts or cultural programming, activities, or  
2 services. These organizations include, but are not limited to,  
3 music and dramatic arts organizations such as symphony  
4 orchestras and theatrical groups, arts and cultural service  
5 organizations, local arts councils, visual arts organizations,  
6 and media arts organizations. On and after July 1, 2001 (the  
7 effective date of Public Act 92-35), however, an entity  
8 otherwise eligible for this exemption shall not make tax-free  
9 purchases unless it has an active identification number issued  
10 by the Department.

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

15 (5) Until July 1, 2003 and beginning again on September 1,  
16 2004 through August 30, 2014, graphic arts machinery and  
17 equipment, including repair and replacement parts, both new  
18 and used, and including that manufactured on special order or  
19 purchased for lease, certified by the purchaser to be used  
20 primarily for graphic arts production. Equipment includes  
21 chemicals or chemicals acting as catalysts but only if the  
22 chemicals or chemicals acting as catalysts effect a direct and  
23 immediate change upon a graphic arts product. Beginning on  
24 July 1, 2017, graphic arts machinery and equipment is included  
25 in the manufacturing and assembling machinery and equipment  
26 exemption under Section 2 of this Act.



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

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

23           Farm machinery and equipment shall include precision  
24 farming equipment that is installed or purchased to be  
25 installed on farm machinery and equipment, including, but not  
26 limited to, tractors, harvesters, sprayers, planters, seeders,

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

5 Farm machinery and equipment also includes computers,  
6 sensors, software, and related equipment used primarily in the  
7 computer-assisted operation of production agriculture  
8 facilities, equipment, and activities such as, but not limited  
9 to, the collection, monitoring, and correlation of animal and  
10 crop data for the purpose of formulating animal diets and  
11 agricultural chemicals.

12 Beginning on January 1, 2024, farm machinery and equipment  
13 also includes electrical power generation equipment used  
14 primarily for production agriculture.

15 This item (7) is exempt from the provisions of Section  
16 3-75.

17 (8) Until June 30, 2013, fuel and petroleum products sold  
18 to or used by an air common carrier, certified by the carrier  
19 to be used for consumption, shipment, or storage in the  
20 conduct of its business as an air common carrier, for a flight  
21 destined for or returning from a location or locations outside  
22 the United States without regard to previous or subsequent  
23 domestic stopovers.

24 Beginning July 1, 2013, fuel and petroleum products sold  
25 to or used by an air carrier, certified by the carrier to be  
26 used for consumption, shipment, or storage in the conduct of

1 its business as an air common carrier, for a flight that (i) is  
2 engaged in foreign trade or is engaged in trade between the  
3 United States and any of its possessions and (ii) transports  
4 at least one individual or package for hire from the city of  
5 origination to the city of final destination on the same  
6 aircraft, without regard to a change in the flight number of  
7 that aircraft.

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

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

1           (11) Proceeds from the sale of photoprocessing machinery  
2 and equipment, including repair and replacement parts, both  
3 new and used, including that manufactured on special order,  
4 certified by the purchaser to be used primarily for  
5 photoprocessing, and including photoprocessing machinery and  
6 equipment purchased for lease.

7           (12) Until July 1, 2028, coal and aggregate exploration,  
8 mining, off-highway hauling, processing, maintenance, and  
9 reclamation equipment, including replacement parts and  
10 equipment, and including equipment purchased for lease, but  
11 excluding motor vehicles required to be registered under the  
12 Illinois Vehicle Code. The changes made to this Section by  
13 Public Act 97-767 apply on and after July 1, 2003, but no claim  
14 for credit or refund is allowed on or after August 16, 2013  
15 (the effective date of Public Act 98-456) for such taxes paid  
16 during the period beginning July 1, 2003 and ending on August  
17 16, 2013 (the effective date of Public Act 98-456).

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

20           (14) Horses, or interests in horses, registered with and  
21 meeting the requirements of any of the Arabian Horse Club  
22 Registry of America, Appaloosa Horse Club, American Quarter  
23 Horse Association, United States Trotting Association, or  
24 Jockey Club, as appropriate, used for purposes of breeding or  
25 racing for prizes. This item (14) is exempt from the  
26 provisions of Section 3-75, and the exemption provided for

1 under this item (14) applies for all periods beginning May 30,  
2 1995, but no claim for credit or refund is allowed on or after  
3 January 1, 2008 (the effective date of Public Act 95-88) for  
4 such taxes paid during the period beginning May 30, 2000 and  
5 ending on January 1, 2008 (the effective date of Public Act  
6 95-88).

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

1 however, that amount is not refunded to the lessee for any  
2 reason, the lessor is liable to pay that amount to the  
3 Department.

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

24 (17) Beginning with taxable years ending on or after  
25 December 31, 1995 and ending with taxable years ending on or  
26 before December 31, 2004, personal property that is donated

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

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

21 (19) Beginning July 1, 1999, game or game birds purchased  
22 at a "game breeding and hunting preserve area" as that term is  
23 used in the Wildlife Code. This paragraph is exempt from the  
24 provisions of Section 3-75.

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

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

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



1 entity purchases the personal property sold at the events from  
2 another individual or entity that sold the property for the  
3 purpose of resale by the fundraising entity and that profits  
4 from the sale to the fundraising entity. This paragraph is  
5 exempt from the provisions of Section 3-75.

6 (22) Beginning January 1, 2000 and through December 31,  
7 2001, new or used automatic vending machines that prepare and  
8 serve hot food and beverages, including coffee, soup, and  
9 other items, and replacement parts for these machines.  
10 Beginning January 1, 2002 and through June 30, 2003, machines  
11 and parts for machines used in commercial, coin-operated  
12 amusement and vending business if a use or occupation tax is  
13 paid on the gross receipts derived from the use of the  
14 commercial, coin-operated amusement and vending machines. This  
15 paragraph is exempt from the provisions of Section 3-75.

16 (23) Beginning August 23, 2001 and through June 30, 2016,  
17 food for human consumption that is to be consumed off the  
18 premises where it is sold (other than alcoholic beverages,  
19 soft drinks, and food that has been prepared for immediate  
20 consumption) and prescription and nonprescription medicines,  
21 drugs, medical appliances, and insulin, urine testing  
22 materials, syringes, and needles used by diabetics, for human  
23 use, when purchased for use by a person receiving medical  
24 assistance under Article V of the Illinois Public Aid Code who  
25 resides in a licensed long-term care facility, as defined in  
26 the Nursing Home Care Act, or in a licensed facility as defined

1 in the ID/DD Community Care Act, the MC/DD Act, or the  
2 Specialized Mental Health Rehabilitation Act of 2013.

3 (24) Beginning on August 2, 2001 (the effective date of  
4 Public Act 92-227), computers and communications equipment  
5 utilized for any hospital purpose and equipment used in the  
6 diagnosis, analysis, or treatment of hospital patients  
7 purchased by a lessor who leases the equipment, under a lease  
8 of one year or longer executed or in effect at the time the  
9 lessor would otherwise be subject to the tax imposed by this  
10 Act, to a hospital that has been issued an active tax exemption  
11 identification number by the Department under Section 1g of  
12 the Retailers' Occupation Tax Act. If the equipment is leased  
13 in a manner that does not qualify for this exemption or is used  
14 in any other nonexempt manner, the lessor shall be liable for  
15 the tax imposed under this Act or the Use Tax Act, as the case  
16 may be, based on the fair market value of the property at the  
17 time the nonqualifying use occurs. No lessor shall collect or  
18 attempt to collect an amount (however designated) that  
19 purports to reimburse that lessor for the tax imposed by this  
20 Act or the Use Tax Act, as the case may be, if the tax has not  
21 been paid by the lessor. If a lessor improperly collects any  
22 such amount from the lessee, the lessee shall have a legal  
23 right to claim a refund of that amount from the lessor. If,  
24 however, that amount is not refunded to the lessee for any  
25 reason, the lessor is liable to pay that amount to the  
26 Department. This paragraph is exempt from the provisions of

1 Section 3-75.

2 (25) Beginning on August 2, 2001 (the effective date of  
3 Public Act 92-227), personal property purchased by a lessor  
4 who leases the property, under a lease of one year or longer  
5 executed or in effect at the time the lessor would otherwise be  
6 subject to the tax imposed by this Act, to a governmental body  
7 that has been issued an active tax exemption identification  
8 number by the Department under Section 1g of the Retailers'  
9 Occupation Tax Act. If the property is leased in a manner that  
10 does not qualify for this exemption or is used in any other  
11 nonexempt manner, the lessor shall be liable for the tax  
12 imposed under this Act or the Use Tax Act, as the case may be,  
13 based on the fair market value of the property at the time the  
14 nonqualifying use occurs. No lessor shall collect or attempt  
15 to collect an amount (however designated) that purports to  
16 reimburse that lessor for the tax imposed by this Act or the  
17 Use Tax Act, as the case may be, if the tax has not been paid  
18 by the lessor. If a lessor improperly collects any such amount  
19 from the lessee, the lessee shall have a legal right to claim a  
20 refund of that amount from the lessor. If, however, that  
21 amount is not refunded to the lessee for any reason, the lessor  
22 is liable to pay that amount to the Department. This paragraph  
23 is exempt from the provisions of Section 3-75.

24 (26) Beginning January 1, 2008, tangible personal property  
25 used in the construction or maintenance of a community water  
26 supply, as defined under Section 3.145 of the Environmental

1 Protection Act, that is operated by a not-for-profit  
2 corporation that holds a valid water supply permit issued  
3 under Title IV of the Environmental Protection Act. This  
4 paragraph is exempt from the provisions of Section 3-75.

5 (27) Beginning January 1, 2010 and continuing through  
6 December 31, 2029, materials, parts, equipment, components,  
7 and furnishings incorporated into or upon an aircraft as part  
8 of the modification, refurbishment, completion, replacement,  
9 repair, or maintenance of the aircraft. This exemption  
10 includes consumable supplies used in the modification,  
11 refurbishment, completion, replacement, repair, and  
12 maintenance of aircraft. However, until January 1, 2024, this  
13 exemption excludes any materials, parts, equipment,  
14 components, and consumable supplies used in the modification,  
15 replacement, repair, and maintenance of aircraft engines or  
16 power plants, whether such engines or power plants are  
17 installed or uninstalled upon any such aircraft. "Consumable  
18 supplies" include, but are not limited to, adhesive, tape,  
19 sandpaper, general purpose lubricants, cleaning solution,  
20 latex gloves, and protective films.

21 Beginning January 1, 2010 and continuing through December  
22 31, 2023, this exemption applies only to the use of qualifying  
23 tangible personal property transferred incident to the  
24 modification, refurbishment, completion, replacement, repair,  
25 or maintenance of aircraft by persons who (i) hold an Air  
26 Agency Certificate and are empowered to operate an approved

1 repair station by the Federal Aviation Administration, (ii)  
2 have a Class IV Rating, and (iii) conduct operations in  
3 accordance with Part 145 of the Federal Aviation Regulations.  
4 From January 1, 2024 through December 31, 2029, this exemption  
5 applies only to the use of qualifying tangible personal  
6 property by: (A) persons who modify, refurbish, complete,  
7 repair, replace, or maintain aircraft and who (i) hold an Air  
8 Agency Certificate and are empowered to operate an approved  
9 repair station by the Federal Aviation Administration, (ii)  
10 have a Class IV Rating, and (iii) conduct operations in  
11 accordance with Part 145 of the Federal Aviation Regulations;  
12 and (B) persons who engage in the modification, replacement,  
13 repair, and maintenance of aircraft engines or power plants  
14 without regard to whether or not those persons meet the  
15 qualifications of item (A).

16 The exemption does not include aircraft operated by a  
17 commercial air carrier providing scheduled passenger air  
18 service pursuant to authority issued under Part 121 or Part  
19 129 of the Federal Aviation Regulations. The changes made to  
20 this paragraph (27) by Public Act 98-534 are declarative of  
21 existing law. It is the intent of the General Assembly that the  
22 exemption under this paragraph (27) applies continuously from  
23 January 1, 2010 through December 31, 2024; however, no claim  
24 for credit or refund is allowed for taxes paid as a result of  
25 the disallowance of this exemption on or after January 1, 2015  
26 and prior to February 5, 2020 (the effective date of Public Act

1 101-629).

2 (28) Tangible personal property purchased by a  
3 public-facilities corporation, as described in Section  
4 11-65-10 of the Illinois Municipal Code, for purposes of  
5 constructing or furnishing a municipal convention hall, but  
6 only if the legal title to the municipal convention hall is  
7 transferred to the municipality without any further  
8 consideration by or on behalf of the municipality at the time  
9 of the completion of the municipal convention hall or upon the  
10 retirement or redemption of any bonds or other debt  
11 instruments issued by the public-facilities corporation in  
12 connection with the development of the municipal convention  
13 hall. This exemption includes existing public-facilities  
14 corporations as provided in Section 11-65-25 of the Illinois  
15 Municipal Code. This paragraph is exempt from the provisions  
16 of Section 3-75.

17 (29) Beginning January 1, 2017 and through December 31,  
18 2026, menstrual pads, tampons, and menstrual cups.

19 (30) Tangible personal property transferred to a purchaser  
20 who is exempt from the tax imposed by this Act by operation of  
21 federal law. This paragraph is exempt from the provisions of  
22 Section 3-75.

23 (31) Qualified tangible personal property used in the  
24 construction or operation of a data center that has been  
25 granted a certificate of exemption by the Department of  
26 Commerce and Economic Opportunity, whether that tangible

1 personal property is purchased by the owner, operator, or  
2 tenant of the data center or by a contractor or subcontractor  
3 of the owner, operator, or tenant. Data centers that would  
4 have qualified for a certificate of exemption prior to January  
5 1, 2020 had Public Act 101-31 been in effect, may apply for and  
6 obtain an exemption for subsequent purchases of computer  
7 equipment or enabling software purchased or leased to upgrade,  
8 supplement, or replace computer equipment or enabling software  
9 purchased or leased in the original investment that would have  
10 qualified.

11 The Department of Commerce and Economic Opportunity shall  
12 grant a certificate of exemption under this item (31) to  
13 qualified data centers as defined by Section 605-1025 of the  
14 Department of Commerce and Economic Opportunity Law of the  
15 Civil Administrative Code of Illinois.

16 For the purposes of this item (31):

17 "Data center" means a building or a series of  
18 buildings rehabilitated or constructed to house working  
19 servers in one physical location or multiple sites within  
20 the State of Illinois.

21 "Qualified tangible personal property" means:  
22 electrical systems and equipment; climate control and  
23 chilling equipment and systems; mechanical systems and  
24 equipment; monitoring and secure systems; emergency  
25 generators; hardware; computers; servers; data storage  
26 devices; network connectivity equipment; racks; cabinets;

1 telecommunications cabling infrastructure; raised floor  
2 systems; peripheral components or systems; software;  
3 mechanical, electrical, or plumbing systems; battery  
4 systems; cooling systems and towers; temperature control  
5 systems; other cabling; and other data center  
6 infrastructure equipment and systems necessary to operate  
7 qualified tangible personal property, including fixtures;  
8 and component parts of any of the foregoing, including  
9 installation, maintenance, repair, refurbishment, and  
10 replacement of qualified tangible personal property to  
11 generate, transform, transmit, distribute, or manage  
12 electricity necessary to operate qualified tangible  
13 personal property; and all other tangible personal  
14 property that is essential to the operations of a computer  
15 data center. The term "qualified tangible personal  
16 property" also includes building materials physically  
17 incorporated into ~~in to~~ the qualifying data center. To  
18 document the exemption allowed under this Section, the  
19 retailer must obtain from the purchaser a copy of the  
20 certificate of eligibility issued by the Department of  
21 Commerce and Economic Opportunity.

22 This item (31) is exempt from the provisions of Section  
23 3-75.

24 (32) Beginning July 1, 2022, breast pumps, breast pump  
25 collection and storage supplies, and breast pump kits. This  
26 item (32) is exempt from the provisions of Section 3-75. As



1 used in this item (32):

2 "Breast pump" means an electrically controlled or  
3 manually controlled pump device designed or marketed to be  
4 used to express milk from a human breast during lactation,  
5 including the pump device and any battery, AC adapter, or  
6 other power supply unit that is used to power the pump  
7 device and is packaged and sold with the pump device at the  
8 time of sale.

9 "Breast pump collection and storage supplies" means  
10 items of tangible personal property designed or marketed  
11 to be used in conjunction with a breast pump to collect  
12 milk expressed from a human breast and to store collected  
13 milk until it is ready for consumption.

14 "Breast pump collection and storage supplies"  
15 includes, but is not limited to: breast shields and breast  
16 shield connectors; breast pump tubes and tubing adapters;  
17 breast pump valves and membranes; backflow protectors and  
18 backflow protector adaptors; bottles and bottle caps  
19 specific to the operation of the breast pump; and breast  
20 milk storage bags.

21 "Breast pump collection and storage supplies" does not  
22 include: (1) bottles and bottle caps not specific to the  
23 operation of the breast pump; (2) breast pump travel bags  
24 and other similar carrying accessories, including ice  
25 packs, labels, and other similar products; (3) breast pump  
26 cleaning supplies; (4) nursing bras, bra pads, breast

1 shells, and other similar products; and (5) creams,  
2 ointments, and other similar products that relieve  
3 breastfeeding-related symptoms or conditions of the  
4 breasts or nipples, unless sold as part of a breast pump  
5 kit that is pre-packaged by the breast pump manufacturer  
6 or distributor.

7 "Breast pump kit" means a kit that: (1) contains no  
8 more than a breast pump, breast pump collection and  
9 storage supplies, a rechargeable battery for operating the  
10 breast pump, a breastmilk cooler, bottle stands, ice  
11 packs, and a breast pump carrying case; and (2) is  
12 pre-packaged as a breast pump kit by the breast pump  
13 manufacturer or distributor.

14 (33) Tangible personal property sold by or on behalf of  
15 the State Treasurer pursuant to the Revised Uniform Unclaimed  
16 Property Act. This item (33) is exempt from the provisions of  
17 Section 3-75.

18 (34) Beginning on January 1, 2024, tangible personal  
19 property purchased by an active duty member of the armed  
20 forces of the United States who presents valid military  
21 identification and purchases the property using a form of  
22 payment where the federal government is the payor. The member  
23 of the armed forces must complete, at the point of sale, a form  
24 prescribed by the Department of Revenue documenting that the  
25 transaction is eligible for the exemption under this  
26 paragraph. Retailers must keep the form as documentation of

1 the exemption in their records for a period of not less than 6  
2 years. "Armed forces of the United States" means the United  
3 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
4 This paragraph is exempt from the provisions of Section 3-75.

5 (35) Use by a lessee of the following leased tangible  
6 personal property:

7 (1) software transferred subject to a license that  
8 meets the following requirements:

9 (A) it is evidenced by a written agreement signed  
10 by the licensor and the customer;

11 (i) an electronic agreement in which the  
12 customer accepts the license by means of an  
13 electronic signature that is verifiable and can be  
14 authenticated and is attached to or made part of  
15 the license will comply with this requirement;

16 (ii) a license agreement in which the customer  
17 electronically accepts the terms by clicking "I  
18 agree" does not comply with this requirement;

19 (B) it restricts the customer's duplication and  
20 use of the software;

21 (C) it prohibits the customer from licensing,  
22 sublicensing, or transferring the software to a third  
23 party (except to a related party) without the  
24 permission and continued control of the licensor;

25 (D) the licensor has a policy of providing another  
26 copy at minimal or no charge if the customer loses or

1 damages the software, or of permitting the licensee to  
2 make and keep an archival copy, and such policy is  
3 either stated in the license agreement, supported by  
4 the licensor's books and records, or supported by a  
5 notarized statement made under penalties of perjury by  
6 the licensor; and

7 (E) the customer must destroy or return all copies  
8 of the software to the licensor at the end of the  
9 license period; this provision is deemed to be met, in  
10 the case of a perpetual license, without being set  
11 forth in the license agreement; and

12 (2) property that is subject to a tax on lease  
13 receipts imposed by a home rule unit of local government  
14 if the ordinance imposing that tax was adopted prior to  
15 January 1, 2023.

16 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
17 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section  
18 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
19 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,  
20 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
21 revised 12-12-23.)

22 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

1 including, on and after January 1, 2025, transferred by lease,  
2 as an incident to the sale of service, but, for the purpose of  
3 computing this tax, in no event shall the selling price be less  
4 than the cost price of the property to the serviceman.

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

9 With respect to gasohol, as defined in the Use Tax Act, the  
10 tax imposed by this Act applies to (i) 70% of the selling price  
11 of property transferred as an incident to the sale of service  
12 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
13 of the selling price of property transferred as an incident to  
14 the sale of service on or after July 1, 2003 and on or before  
15 July 1, 2017, (iii) 100% of the selling price of property  
16 transferred as an incident to the sale of service after July 1,  
17 2017 and before January 1, 2024, (iv) 90% of the selling price  
18 of property transferred as an incident to the sale of service  
19 on or after January 1, 2024 and on or before December 31, 2028,  
20 and (v) 100% of the selling price of property transferred as an  
21 incident to the sale of service after December 31, 2028. If, at  
22 any time, however, the tax under this Act on sales of gasohol,  
23 as defined in the Use Tax Act, is imposed at the rate of 1.25%,  
24 then the tax imposed by this Act applies to 100% of the  
25 proceeds of sales of gasohol made during that time.

26 With respect to mid-range ethanol blends, as defined in

1 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
2 applies to (i) 80% of the selling price of property  
3 transferred as an incident to the sale of service on or after  
4 January 1, 2024 and on or before December 31, 2028 and (ii)  
5 100% of the selling price of property transferred as an  
6 incident to the sale of service after December 31, 2028. If, at  
7 any time, however, the tax under this Act on sales of mid-range  
8 ethanol blends is imposed at the rate of 1.25%, then the tax  
9 imposed by this Act applies to 100% of the selling price of  
10 mid-range ethanol blends transferred as an incident to the  
11 sale of service during that time.

12 With respect to majority blended ethanol fuel, as defined  
13 in the Use Tax Act, the tax imposed by this Act does not apply  
14 to the selling price of property transferred as an incident to  
15 the sale of service on or after July 1, 2003 and on or before  
16 December 31, 2028 but applies to 100% of the selling price  
17 thereafter.

18 With respect to biodiesel blends, as defined in the Use  
19 Tax Act, with no less than 1% and no more than 10% biodiesel,  
20 the tax imposed by this Act applies to (i) 80% of the selling  
21 price of property transferred as an incident to the sale of  
22 service on or after July 1, 2003 and on or before December 31,  
23 2018 and (ii) 100% of the proceeds of the selling price after  
24 December 31, 2018 and before January 1, 2024. On and after  
25 January 1, 2024 and on or before December 31, 2030, the  
26 taxation of biodiesel, renewable diesel, and biodiesel blends

1 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
2 at any time, however, the tax under this Act on sales of  
3 biodiesel blends, as defined in the Use Tax Act, with no less  
4 than 1% and no more than 10% biodiesel is imposed at the rate  
5 of 1.25%, then the tax imposed by this Act applies to 100% of  
6 the proceeds of sales of biodiesel blends with no less than 1%  
7 and no more than 10% biodiesel made during that time.

8 With respect to biodiesel, as defined in the Use Tax Act,  
9 and biodiesel blends, as defined in the Use Tax Act, with more  
10 than 10% but no more than 99% biodiesel, the tax imposed by  
11 this Act does not apply to the proceeds of the selling price of  
12 property transferred as an incident to the sale of service on  
13 or after July 1, 2003 and on or before December 31, 2023. On  
14 and after January 1, 2024 and on or before December 31, 2030,  
15 the taxation of biodiesel, renewable diesel, and biodiesel  
16 blends shall be as provided in Section 3-5.1 of the Use Tax  
17 Act.

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

1 transferred as an incident to the sale of those services.

2       Until July 1, 2022 and beginning again on July 1, 2023, the  
3 tax shall be imposed at the rate of 1% on food prepared for  
4 immediate consumption and transferred incident to a sale of  
5 service subject to this Act or the Service Occupation Tax Act  
6 by an entity licensed under the Hospital Licensing Act, the  
7 Nursing Home Care Act, the Assisted Living and Shared Housing  
8 Act, the ID/DD Community Care Act, the MC/DD Act, the  
9 Specialized Mental Health Rehabilitation Act of 2013, or the  
10 Child Care Act of 1969, or an entity that holds a permit issued  
11 pursuant to the Life Care Facilities Act. Until July 1, 2022  
12 and beginning again on July 1, 2023, the tax shall also be  
13 imposed at the rate of 1% on food for human consumption that is  
14 to be consumed off the premises where it is sold (other than  
15 alcoholic beverages, food consisting of or infused with adult  
16 use cannabis, soft drinks, and food that has been prepared for  
17 immediate consumption and is not otherwise included in this  
18 paragraph).

19       Beginning on July 1, 2022 and until July 1, 2023, the tax  
20 shall be imposed at the rate of 0% on food prepared for  
21 immediate consumption and transferred incident to a sale of  
22 service subject to this Act or the Service Occupation Tax Act  
23 by an entity licensed under the Hospital Licensing Act, the  
24 Nursing Home Care Act, the Assisted Living and Shared Housing  
25 Act, the ID/DD Community Care Act, the MC/DD Act, the  
26 Specialized Mental Health Rehabilitation Act of 2013, or the



1 Child Care Act of 1969, or an entity that holds a permit issued  
2 pursuant to the Life Care Facilities Act. Beginning on July 1,  
3 2022 and until July 1, 2023, the tax shall also be imposed at  
4 the rate of 0% on food for human consumption that is to be  
5 consumed off the premises where it is sold (other than  
6 alcoholic beverages, food consisting of or infused with adult  
7 use cannabis, soft drinks, and food that has been prepared for  
8 immediate consumption and is not otherwise included in this  
9 paragraph).

10 The tax shall also be imposed at the rate of 1% on  
11 prescription and nonprescription medicines, drugs, medical  
12 appliances, products classified as Class III medical devices  
13 by the United States Food and Drug Administration that are  
14 used for cancer treatment pursuant to a prescription, as well  
15 as any accessories and components related to those devices,  
16 modifications to a motor vehicle for the purpose of rendering  
17 it usable by a person with a disability, and insulin, blood  
18 sugar testing materials, syringes, and needles used by human  
19 diabetics. For the purposes of this Section, until September  
20 1, 2009: the term "soft drinks" means any complete, finished,  
21 ready-to-use, non-alcoholic drink, whether carbonated or not,  
22 including, but not limited to, soda water, cola, fruit juice,  
23 vegetable juice, carbonated water, and all other preparations  
24 commonly known as soft drinks of whatever kind or description  
25 that are contained in any closed or sealed bottle, can,  
26 carton, or container, regardless of size; but "soft drinks"

1 does not include coffee, tea, non-carbonated water, infant  
2 formula, milk or milk products as defined in the Grade A  
3 Pasteurized Milk and Milk Products Act, or drinks containing  
4 50% or more natural fruit or vegetable juice.

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

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

23 Notwithstanding any other provisions of this Act,  
24 beginning September 1, 2009, "food for human consumption that  
25 is to be consumed off the premises where it is sold" does not  
26 include candy. For purposes of this Section, "candy" means a

1 preparation of sugar, honey, or other natural or artificial  
2 sweeteners in combination with chocolate, fruits, nuts or  
3 other ingredients or flavorings in the form of bars, drops, or  
4 pieces. "Candy" does not include any preparation that contains  
5 flour or requires refrigeration.

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

19 (A) a "Drug Facts" panel; or

20 (B) a statement of the "active ingredient(s)" with a  
21 list of those ingredients contained in the compound,  
22 substance or preparation.

23 Beginning on January 1, 2014 (the effective date of Public  
24 Act 98-122), "prescription and nonprescription medicines and  
25 drugs" includes medical cannabis purchased from a registered  
26 dispensing organization under the Compassionate Use of Medical

1 Cannabis Program Act.

2 As used in this Section, "adult use cannabis" means  
3 cannabis subject to tax under the Cannabis Cultivation  
4 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
5 and does not include cannabis subject to tax under the  
6 Compassionate Use of Medical Cannabis Program Act.

7 If the property that is acquired from a serviceman is  
8 acquired outside Illinois and used outside Illinois before  
9 being brought to Illinois for use here and is taxable under  
10 this Act, the "selling price" on which the tax is computed  
11 shall be reduced by an amount that represents a reasonable  
12 allowance for depreciation for the period of prior  
13 out-of-state use. No depreciation is allowed in cases where  
14 the tax under this Act is imposed on lease receipts.

15 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;  
16 102-700, Article 20, Section 20-10, eff. 4-19-22; 102-700,  
17 Article 60, Section 60-20, eff. 4-19-22; 103-9, eff. 6-7-23;  
18 103-154, eff. 6-30-23.)

19 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

20 Sec. 9. Each serviceman required or authorized to collect  
21 the tax herein imposed shall pay to the Department the amount  
22 of such tax (except as otherwise provided) at the time when he  
23 is required to file his return for the period during which such  
24 tax was collected, less a discount of 2.1% prior to January 1,  
25 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar

1 year, whichever is greater, which is allowed to reimburse the  
2 serviceman for expenses incurred in collecting the tax,  
3 keeping records, preparing and filing returns, remitting the  
4 tax and supplying data to the Department on request. When  
5 determining the discount allowed under this Section,  
6 servicemen shall include the amount of tax that would have  
7 been due at the 1% rate but for the 0% rate imposed under this  
8 amendatory Act of the 102nd General Assembly. The discount  
9 under this Section is not allowed for the 1.25% portion of  
10 taxes paid on aviation fuel that is subject to the revenue use  
11 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The  
12 discount allowed under this Section is allowed only for  
13 returns that are filed in the manner required by this Act. The  
14 Department may disallow the discount for servicemen whose  
15 certificate of registration is revoked at the time the return  
16 is filed, but only if the Department's decision to revoke the  
17 certificate of registration has become final. A serviceman  
18 need not remit that part of any tax collected by him to the  
19 extent that he is required to pay and does pay the tax imposed  
20 by the Service Occupation Tax Act with respect to his sale of  
21 service involving the incidental transfer by him of the same  
22 property.

23 Except as provided hereinafter in this Section, on or  
24 before the twentieth day of each calendar month, such  
25 serviceman shall file a return for the preceding calendar  
26 month in accordance with reasonable Rules and Regulations to

1 be promulgated by the Department. Such return shall be filed  
2 on a form prescribed by the Department and shall contain such  
3 information as the Department may reasonably require. The  
4 return shall include the gross receipts which were received  
5 during the preceding calendar month or quarter on the  
6 following items upon which tax would have been due but for the  
7 0% rate imposed under this amendatory Act of the 102nd General  
8 Assembly: (i) food for human consumption that is to be  
9 consumed off the premises where it is sold (other than  
10 alcoholic beverages, food consisting of or infused with adult  
11 use cannabis, soft drinks, and food that has been prepared for  
12 immediate consumption); and (ii) food prepared for immediate  
13 consumption and transferred incident to a sale of service  
14 subject to this Act or the Service Occupation Tax Act by an  
15 entity licensed under the Hospital Licensing Act, the Nursing  
16 Home Care Act, the Assisted Living and Shared Housing Act, the  
17 ID/DD Community Care Act, the MC/DD Act, the Specialized  
18 Mental Health Rehabilitation Act of 2013, or the Child Care  
19 Act of 1969, or an entity that holds a permit issued pursuant  
20 to the Life Care Facilities Act. The return shall also include  
21 the amount of tax that would have been due on the items listed  
22 in the previous sentence but for the 0% rate imposed under this  
23 amendatory Act of the 102nd General Assembly.

24 In the case of leases, except as otherwise provided in  
25 this Act, the lessor, in collecting the tax, may collect for  
26 each tax return period, only the tax applicable to that part of

1 the selling price actually received during such tax return  
2 period.

3 On and after January 1, 2018, with respect to servicemen  
4 whose annual gross receipts average \$20,000 or more, all  
5 returns required to be filed pursuant to this Act shall be  
6 filed electronically. Servicemen who demonstrate that they do  
7 not have access to the Internet or demonstrate hardship in  
8 filing electronically may petition the Department to waive the  
9 electronic filing requirement.

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

17 1. The name of the seller;

18 2. The address of the principal place of business from  
19 which he engages in business as a serviceman in this  
20 State;

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

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

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

5           Each serviceman required or authorized to collect the tax  
6           imposed by this Act on aviation fuel transferred as an  
7           incident of a sale of service in this State during the  
8           preceding calendar month shall, instead of reporting and  
9           paying tax on aviation fuel as otherwise required by this  
10          Section, report and pay such tax on a separate aviation fuel  
11          tax return. The requirements related to the return shall be as  
12          otherwise provided in this Section. Notwithstanding any other  
13          provisions of this Act to the contrary, servicemen collecting  
14          tax on aviation fuel shall file all aviation fuel tax returns  
15          and shall make all aviation fuel tax payments by electronic  
16          means in the manner and form required by the Department. For  
17          purposes of this Section, "aviation fuel" means jet fuel and  
18          aviation gasoline.

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 be  
22          due on the return shall be deemed assessed.

23          Notwithstanding any other provision of this Act to the  
24          contrary, servicemen subject to tax on cannabis shall file all  
25          cannabis tax returns and shall make all cannabis tax payments  
26          by electronic means in the manner and form required by the



1 Department.

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

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

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

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

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

16           If the serviceman is otherwise required to file a monthly  
17 return and if the serviceman's average monthly tax liability  
18 to 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 year  
21 being due by April 20 of such year; with the return for April,  
22 May and June of a given year being due by July 20 of such year;  
23 with the return for July, August and September of a given year  
24 being due by October 20 of such year, and with the return for  
25 October, November and December of a given year being due by  
26 January 20 of the following year.

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

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

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

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

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

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

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

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

24 Beginning January 1, 1990, each month the Department shall  
25 pay into the State and Local Tax Reform Fund, a special fund in  
26 the State Treasury, the net revenue realized for the preceding

1 month from the 1% tax imposed under this Act.

2       Beginning January 1, 1990, each month the Department shall  
3 pay into the State and Local Sales Tax Reform Fund 20% of the  
4 net revenue realized for the preceding month from the 6.25%  
5 general rate on transfers of tangible personal property, other  
6 than (i) tangible personal property which is purchased outside  
7 Illinois at retail from a retailer and which is titled or  
8 registered by an agency of this State's government and (ii)  
9 aviation fuel sold on or after December 1, 2019. This  
10 exception for aviation fuel only applies for so long as the  
11 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
12 47133 are binding on the State.

13       For aviation fuel sold on or after December 1, 2019, each  
14 month the Department shall pay into the State Aviation Program  
15 Fund 20% of the net revenue realized for the preceding month  
16 from the 6.25% general rate on the selling price of aviation  
17 fuel, less an amount estimated by the Department to be  
18 required for refunds of the 20% portion of the tax on aviation  
19 fuel under this Act, which amount shall be deposited into the  
20 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
21 pay moneys into the State Aviation Program Fund and the  
22 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
23 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
24 U.S.C. 47133 are binding on the State.

25       Beginning August 1, 2000, each month the Department shall  
26 pay into the State and Local Sales Tax Reform Fund 100% of the

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

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

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

25 Beginning July 1, 2015, of the remainder of the moneys  
26 received by the Department under the Use Tax Act, this Act, the

1 Service Occupation Tax Act, and the Retailers' Occupation Tax  
2 Act, each month the Department shall deposit \$500,000 into the  
3 State Crime Laboratory Fund.

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

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



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

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

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

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

1	2014	170,000,000
2	2015	179,000,000
3	2016	189,000,000
4	2017	199,000,000
5	2018	210,000,000
6	2019	221,000,000
7	2020	233,000,000
8	2021	300,000,000
9	2022	300,000,000
10	2023	300,000,000
11	2024	300,000,000
12	2025	300,000,000
13	2026	300,000,000
14	2027	375,000,000
15	2028	375,000,000
16	2029	375,000,000
17	2030	375,000,000
18	2031	375,000,000
19	2032	375,000,000
20	2033	375,000,000
21	2034	375,000,000
22	2035	375,000,000
23	2036	450,000,000
24	and	
25	each fiscal year	
26	thereafter that bonds	

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

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

19           Subject to payment of amounts into the Capital Projects  
20      Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
21      and the McCormick Place Expansion Project Fund pursuant to the  
22      preceding paragraphs or in any amendments thereto hereafter  
23      enacted, for aviation fuel sold on or after December 1, 2019,  
24      the Department shall each month deposit into the Aviation Fuel  
25      Sales Tax Refund Fund an amount estimated by the Department to  
26      be required for refunds of the 80% portion of the tax on

1 aviation fuel under this Act. The Department shall only  
2 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
3 under this paragraph for so long as the revenue use  
4 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
5 binding on the State.

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

14 Subject to payment of amounts into the Build Illinois  
15 Fund, the McCormick Place Expansion Project Fund, the Illinois  
16 Tax Increment Fund, pursuant to the preceding paragraphs or in  
17 any amendments to this Section hereafter enacted, beginning on  
18 the first day of the first calendar month to occur on or after  
19 August 26, 2014 (the effective date of Public Act 98-1098),  
20 each month, from the collections made under Section 9 of the  
21 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of  
22 the Service Occupation Tax Act, and Section 3 of the  
23 Retailers' Occupation Tax Act, the Department shall pay into  
24 the Tax Compliance and Administration Fund, to be used,  
25 subject to appropriation, to fund additional auditors and  
26 compliance personnel at the Department of Revenue, an amount

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

7 Subject to payments of amounts into the Build Illinois  
8 Fund, the McCormick Place Expansion Project Fund, the Illinois  
9 Tax Increment Fund, and the Tax Compliance and Administration  
10 Fund as provided in this Section, beginning on July 1, 2018 the  
11 Department shall pay each month into the Downstate Public  
12 Transportation Fund the moneys required to be so paid under  
13 Section 2-3 of the Downstate Public Transportation Act.

14 Subject to successful execution and delivery of a  
15 public-private agreement between the public agency and private  
16 entity and completion of the civic build, beginning on July 1,  
17 2023, of the remainder of the moneys received by the  
18 Department under the Use Tax Act, the Service Use Tax Act, the  
19 Service Occupation Tax Act, and this Act, the Department shall  
20 deposit the following specified deposits in the aggregate from  
21 collections under the Use Tax Act, the Service Use Tax Act, the  
22 Service Occupation Tax Act, and the Retailers' Occupation Tax  
23 Act, as required under Section 8.25g of the State Finance Act  
24 for distribution consistent with the Public-Private  
25 Partnership for Civic and Transit Infrastructure Project Act.  
26 The moneys received by the Department pursuant to this Act and

1 required to be deposited into the Civic and Transit  
 2 Infrastructure Fund are subject to the pledge, claim, and  
 3 charge set forth in Section 25-55 of the Public-Private  
 4 Partnership for Civic and Transit Infrastructure Project Act.  
 5 As used in this paragraph, "civic build", "private entity",  
 6 "public-private agreement", and "public agency" have the  
 7 meanings provided in Section 25-10 of the Public-Private  
 8 Partnership for Civic and Transit Infrastructure Project Act.

9	Fiscal Year.....	Total Deposit
10	2024 .....	\$200,000,000
11	2025 .....	\$206,000,000
12	2026 .....	\$212,200,000
13	2027 .....	\$218,500,000
14	2028 .....	\$225,100,000
15	2029 .....	\$288,700,000
16	2030 .....	\$298,900,000
17	2031 .....	\$309,300,000
18	2032 .....	\$320,100,000
19	2033 .....	\$331,200,000
20	2034 .....	\$341,200,000
21	2035 .....	\$351,400,000
22	2036 .....	\$361,900,000
23	2037 .....	\$372,800,000
24	2038 .....	\$384,000,000
25	2039 .....	\$395,500,000
26	2040 .....	\$407,400,000

1	2041 .....	\$419,600,000
2	2042 .....	\$432,200,000
3	2043 .....	\$445,100,000

4       Beginning July 1, 2021 and until July 1, 2022, subject to  
5 the payment of amounts into the State and Local Sales Tax  
6 Reform Fund, the Build Illinois Fund, the McCormick Place  
7 Expansion Project Fund, the Energy Infrastructure Fund, and  
8 the Tax Compliance and Administration Fund as provided in this  
9 Section, the Department shall pay each month into the Road  
10 Fund the amount estimated to represent 16% of the net revenue  
11 realized from the taxes imposed on motor fuel and gasohol.  
12 Beginning July 1, 2022 and until July 1, 2023, subject to the  
13 payment of amounts into the State and Local Sales Tax Reform  
14 Fund, the Build Illinois Fund, the McCormick Place Expansion  
15 Project Fund, the Illinois Tax Increment Fund, and the Tax  
16 Compliance and Administration Fund as provided in this  
17 Section, the Department shall pay each month into the Road  
18 Fund the amount estimated to represent 32% of the net revenue  
19 realized from the taxes imposed on motor fuel and gasohol.  
20 Beginning July 1, 2023 and until July 1, 2024, subject to the  
21 payment of amounts into the State and Local Sales Tax Reform  
22 Fund, the Build Illinois Fund, the McCormick Place Expansion  
23 Project Fund, the Illinois Tax Increment Fund, and the Tax  
24 Compliance and Administration Fund as provided in this  
25 Section, the Department shall pay each month into the Road  
26 Fund the amount estimated to represent 48% of the net revenue



1 realized from the taxes imposed on motor fuel and gasohol.  
2 Beginning July 1, 2024 and until July 1, 2025, subject to the  
3 payment of amounts into the State and Local Sales Tax Reform  
4 Fund, the Build Illinois Fund, the McCormick Place Expansion  
5 Project Fund, the Illinois Tax Increment Fund, and the Tax  
6 Compliance and Administration Fund as provided in this  
7 Section, the Department shall pay each month into the Road  
8 Fund the amount estimated to represent 64% of the net revenue  
9 realized from the taxes imposed on motor fuel and gasohol.  
10 Beginning on July 1, 2025, subject to the payment of amounts  
11 into the State and Local Sales Tax Reform Fund, the Build  
12 Illinois Fund, the McCormick Place Expansion Project Fund, the  
13 Illinois Tax Increment Fund, and the Tax Compliance and  
14 Administration Fund as provided in this Section, the  
15 Department shall pay each month into the Road Fund the amount  
16 estimated to represent 80% of the net revenue realized from  
17 the taxes imposed on motor fuel and gasohol. As used in this  
18 paragraph "motor fuel" has the meaning given to that term in  
19 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the  
20 meaning given to that term in Section 3-40 of the Use Tax Act.

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

1 State Finance Act.

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

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

13 (Source: P.A. 102-700, eff. 4-19-22; 103-363, eff. 7-28-23.)

14 Section 75-15. The Service Occupation Tax Act is amended  
15 by changing Sections 2, 3, 3-5, and 3-10 and by adding Section  
16 1.05 as follows:

17 (35 ILCS 115/1.05 new)

18 Sec. 1.05. Legislative intent; leases. It is the intent of  
19 the General Assembly in enacting this amendatory Act of the  
20 103rd General Assembly to apply the tax imposed under this  
21 Act, except as otherwise provided in this Act, to persons  
22 engaged in the business of making sales of service (referred  
23 to as "servicemen") on all tangible personal property, other  
24 than motor vehicles, watercraft, aircraft, and semitrailers,

1 as defined in Section 1-187 of the Illinois Vehicle Code, that  
2 are required to be registered with an agency of this State,  
3 transferred by lease, as an incident of a sale of service, for  
4 leases in effect, entered into, or renewed on or after January  
5 1, 2025.

6 (35 ILCS 115/2) (from Ch. 120, par. 439.102)

7 Sec. 2. In this Act:

8 "Transfer" means any transfer of the title to property or  
9 of the ownership of property whether or not the transferor  
10 retains title as security for the payment of amounts due him  
11 from the transferee. On and after January 1, 2025, "transfer"  
12 also means any transfer of the possession or control of, the  
13 right to possess or control, or a license to use, but not title  
14 to, tangible personal property.

15 "Lease" means a transfer of the possession or control of,  
16 the right to possess or control, or a license to use, but not  
17 title to, tangible personal property for a fixed or  
18 indeterminate term for consideration, regardless of the name  
19 by which the transaction is called. "Lease" does not include a  
20 lease entered into merely as a security agreement that does  
21 not involve a transfer of possession or control from the  
22 lessor to the lessee.

23 On and after January 1, 2025, the term "sale", when used in  
24 this Act with respect to tangible personal property, includes  
25 a lease.

1 "Cost Price" means the consideration paid by the  
2 serviceman for a purchase, including, on and after January 1,  
3 2025, a lease, valued in money, whether paid in money or  
4 otherwise, including cash, credits and services, and shall be  
5 determined without any deduction on account of the supplier's  
6 cost of the property sold or on account of any other expense  
7 incurred by the supplier. When a serviceman contracts out part  
8 or all of the services required in his sale of service, it  
9 shall be presumed that the cost price to the serviceman of the  
10 property transferred to him by his or her subcontractor is  
11 equal to 50% of the subcontractor's charges to the serviceman  
12 in the absence of proof of the consideration paid by the  
13 subcontractor for the purchase of such property.

14 "Department" means the Department of Revenue.

15 "Person" means any natural individual, firm, partnership,  
16 association, joint stock company, joint venture, public or  
17 private corporation, limited liability company, and any  
18 receiver, executor, trustee, guardian or other representative  
19 appointed by order of any court.

20 "Sale of Service" means any transaction except:

21 (a) A retail sale of tangible personal property taxable  
22 under the Retailers' Occupation Tax Act or under the Use Tax  
23 Act.

24 (b) A sale of tangible personal property for the purpose  
25 of resale made in compliance with Section 2c of the Retailers'  
26 Occupation Tax Act.

1 (c) Except as hereinafter provided, a sale or transfer of  
2 tangible personal property as an incident to the rendering of  
3 service for or by any governmental body or for or by any  
4 corporation, society, association, foundation or institution  
5 organized and operated exclusively for charitable, religious  
6 or educational purposes or any not-for-profit corporation,  
7 society, association, foundation, institution or organization  
8 which has no compensated officers or employees and which is  
9 organized and operated primarily for the recreation of persons  
10 55 years of age or older. A limited liability company may  
11 qualify for the exemption under this paragraph only if the  
12 limited liability company is organized and operated  
13 exclusively for educational purposes.

14 (d) (Blank).

15 (d-1) A sale or transfer of tangible personal property as  
16 an incident to the rendering of service for owners or 7  
17 lessors, lessees, or shippers of tangible personal property  
18 which is utilized by interstate carriers for hire for use as  
19 rolling stock moving in interstate commerce, and equipment  
20 operated by a telecommunications provider, licensed as a  
21 common carrier by the Federal Communications Commission, which  
22 is permanently installed in or affixed to aircraft moving in  
23 interstate commerce.

24 (d-1.1) On and after July 1, 2003 and through June 30,  
25 2004, a sale or transfer of a motor vehicle of the second  
26 division with a gross vehicle weight in excess of 8,000 pounds

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

18 (d-2) The repairing, reconditioning or remodeling, for a  
19 common carrier by rail, of tangible personal property which  
20 belongs to such carrier for hire, and as to which such carrier  
21 receives the physical possession of the repaired,  
22 reconditioned or remodeled item of tangible personal property  
23 in Illinois, and which such carrier transports, or shares with  
24 another common carrier in the transportation of such property,  
25 out of Illinois on a standard uniform bill of lading showing  
26 the person who repaired, reconditioned or remodeled the

1 property as the shipper or consignor of such property to a  
2 destination outside Illinois, for use outside Illinois.

3 (d-3) A sale or transfer of tangible personal property  
4 which is produced by the seller thereof on special order in  
5 such a way as to have made the applicable tax the Service  
6 Occupation Tax or the Service Use Tax, rather than the  
7 Retailers' Occupation Tax or the Use Tax, for an interstate  
8 carrier by rail which receives the physical possession of such  
9 property in Illinois, and which transports such property, or  
10 shares with another common carrier in the transportation of  
11 such property, out of Illinois on a standard uniform bill of  
12 lading showing the seller of the property as the shipper or  
13 consignor of such property to a destination outside Illinois,  
14 for use outside Illinois.

15 (d-4) Until January 1, 1997, a sale, by a registered  
16 serviceman paying tax under this Act to the Department, of  
17 special order printed materials delivered outside Illinois and  
18 which are not returned to this State, if delivery is made by  
19 the seller or agent of the seller, including an agent who  
20 causes the product to be delivered outside Illinois by a  
21 common carrier or the U.S. postal service.

22 (e) A sale or transfer of machinery and equipment used  
23 primarily in the process of the manufacturing or assembling,  
24 either in an existing, an expanded or a new manufacturing  
25 facility, of tangible personal property for wholesale or  
26 retail sale or lease, whether such sale or lease is made

1 directly by the manufacturer or by some other person, whether  
2 the materials used in the process are owned by the  
3 manufacturer or some other person, or whether such sale or  
4 lease is made apart from or as an incident to the seller's  
5 engaging in a service occupation and the applicable tax is a  
6 Service Occupation Tax or Service Use Tax, rather than  
7 Retailers' Occupation Tax or Use Tax. The exemption provided  
8 by this paragraph (e) includes production related tangible  
9 personal property, as defined in Section 3-50 of the Use Tax  
10 Act, purchased on or after July 1, 2019. The exemption  
11 provided by this paragraph (e) does not include machinery and  
12 equipment used in (i) the generation of electricity for  
13 wholesale or retail sale; (ii) the generation or treatment of  
14 natural or artificial gas for wholesale or retail sale that is  
15 delivered to customers through pipes, pipelines, or mains; or  
16 (iii) the treatment of water for wholesale or retail sale that  
17 is delivered to customers through pipes, pipelines, or mains.  
18 The provisions of Public Act 98-583 are declaratory of  
19 existing law as to the meaning and scope of this exemption. The  
20 exemption under this subsection (e) is exempt from the  
21 provisions of Section 3-75.

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



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

3 (g) At the election of any serviceman not required to be  
4 otherwise registered as a retailer under Section 2a of the  
5 Retailers' Occupation Tax Act, made for each fiscal year sales  
6 of service in which the aggregate annual cost price of  
7 tangible personal property transferred as an incident to the  
8 sales of service is less than 35% (75% in the case of  
9 servicemen transferring prescription drugs or servicemen  
10 engaged in graphic arts production) of the aggregate annual  
11 total gross receipts from all sales of service. The purchase  
12 of such tangible personal property by the serviceman shall be  
13 subject to tax under the Retailers' Occupation Tax Act and the  
14 Use Tax Act. However, if a primary serviceman who has made the  
15 election described in this paragraph subcontracts service work  
16 to a secondary serviceman who has also made the election  
17 described in this paragraph, the primary serviceman does not  
18 incur a Use Tax liability if the secondary serviceman (i) has  
19 paid or will pay Use Tax on his or her cost price of any  
20 tangible personal property transferred to the primary  
21 serviceman and (ii) certifies that fact in writing to the  
22 primary serviceman.

23 Tangible personal property transferred incident to the  
24 completion of a maintenance agreement is exempt from the tax  
25 imposed pursuant to this Act.

26 Exemption (e) also includes machinery and equipment used

1 in the general maintenance or repair of such exempt machinery  
2 and equipment or for in-house manufacture of exempt machinery  
3 and equipment. On and after July 1, 2017, exemption (e) also  
4 includes graphic arts machinery and equipment, as defined in  
5 paragraph (5) of Section 3-5. The machinery and equipment  
6 exemption does not include machinery and equipment used in (i)  
7 the generation of electricity for wholesale or retail sale;  
8 (ii) the generation or treatment of natural or artificial gas  
9 for wholesale or retail sale that is delivered to customers  
10 through pipes, pipelines, or mains; or (iii) the treatment of  
11 water for wholesale or retail sale that is delivered to  
12 customers through pipes, pipelines, or mains. The provisions  
13 of Public Act 98-583 are declaratory of existing law as to the  
14 meaning and scope of this exemption. For the purposes of  
15 exemption (e), each of these terms shall have the following  
16 meanings: (1) "manufacturing process" shall mean the  
17 production of any article of tangible personal property,  
18 whether such article is a finished product or an article for  
19 use in the process of manufacturing or assembling a different  
20 article of tangible personal property, by procedures commonly  
21 regarded as manufacturing, processing, fabricating, or  
22 refining which changes some existing material or materials  
23 into a material with a different form, use or name. In relation  
24 to a recognized integrated business composed of a series of  
25 operations which collectively constitute manufacturing, or  
26 individually constitute manufacturing operations, the

1 manufacturing process shall be deemed to commence with the  
2 first operation or stage of production in the series, and  
3 shall not be deemed to end until the completion of the final  
4 product in the last operation or stage of production in the  
5 series; and further for purposes of exemption (e),  
6 photoprocessing is deemed to be a manufacturing process of  
7 tangible personal property for wholesale or retail sale; (2)  
8 "assembling process" shall mean the production of any article  
9 of tangible personal property, whether such article is a  
10 finished product or an article for use in the process of  
11 manufacturing or assembling a different article of tangible  
12 personal property, by the combination of existing materials in  
13 a manner commonly regarded as assembling which results in a  
14 material of a different form, use or name; (3) "machinery"  
15 shall mean major mechanical machines or major components of  
16 such machines contributing to a manufacturing or assembling  
17 process; and (4) "equipment" shall include any independent  
18 device or tool separate from any machinery but essential to an  
19 integrated manufacturing or assembly process; including  
20 computers used primarily in a manufacturer's computer assisted  
21 design, computer assisted manufacturing (CAD/CAM) system; or  
22 any subunit or assembly comprising a component of any  
23 machinery or auxiliary, adjunct or attachment parts of  
24 machinery, such as tools, dies, jigs, fixtures, patterns and  
25 molds; or any parts which require periodic replacement in the  
26 course of normal operation; but shall not include hand tools.

1 Equipment includes chemicals or chemicals acting as catalysts  
2 but only if the chemicals or chemicals acting as catalysts  
3 effect a direct and immediate change upon a product being  
4 manufactured or assembled for wholesale or retail sale or  
5 lease. The purchaser of such machinery and equipment who has  
6 an active resale registration number shall furnish such number  
7 to the seller at the time of purchase. The purchaser of such  
8 machinery and equipment and tools without an active resale  
9 registration number shall furnish to the seller a certificate  
10 of exemption stating facts establishing the exemption, which  
11 certificate shall be available to the Department for  
12 inspection or audit.

13 Except as provided in Section 2d of this Act, the rolling  
14 stock exemption applies to rolling stock used by an interstate  
15 carrier for hire, even just between points in Illinois, if  
16 such rolling stock transports, for hire, persons whose  
17 journeys or property whose shipments originate or terminate  
18 outside Illinois.

19 Any informal rulings, opinions or letters issued by the  
20 Department in response to an inquiry or request for any  
21 opinion from any person regarding the coverage and  
22 applicability of exemption (e) to specific devices shall be  
23 published, maintained as a public record, and made available  
24 for public inspection and copying. If the informal ruling,  
25 opinion or letter contains trade secrets or other confidential  
26 information, where possible the Department shall delete such

1 information prior to publication. Whenever such informal  
2 rulings, opinions, or letters contain any policy of general  
3 applicability, the Department shall formulate and adopt such  
4 policy as a rule in accordance with the provisions of the  
5 Illinois Administrative Procedure Act.

6 On and after July 1, 1987, no entity otherwise eligible  
7 under exemption (c) of this Section shall make tax-free  
8 purchases unless it has an active exemption identification  
9 number issued by the Department.

10 "Serviceman" means any person who is engaged in the  
11 occupation of making sales of service.

12 "Sale at Retail" means "sale at retail" as defined in the  
13 Retailers' Occupation Tax Act, which, on and after January 1,  
14 2025, is defined to include leases.

15 "Supplier" means any person who makes sales of tangible  
16 personal property to servicemen for the purpose of resale as  
17 an incident to a sale of service.

18 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;  
19 100-863, eff. 8-14-18; 101-9, eff. 6-5-19; 101-604, eff.  
20 12-13-19.)

21 (35 ILCS 115/3) (from Ch. 120, par. 439.103)

22 Sec. 3. Tax imposed. A tax is imposed upon all persons  
23 engaged in the business of making sales of service (referred  
24 to as "servicemen") on all tangible personal property  
25 transferred, including, on and after January 1, 2025,

1 transferred by lease, as an incident of a sale of service,  
2 including computer software, and including photographs,  
3 negatives, and positives that are the product of  
4 photoprocessing, but not including products of photoprocessing  
5 produced for use in motion pictures for public commercial  
6 exhibition. Beginning January 1, 2001, prepaid telephone  
7 calling arrangements shall be considered tangible personal  
8 property subject to the tax imposed under this Act regardless  
9 of the form in which those arrangements may be embodied,  
10 transmitted, or fixed by any method now known or hereafter  
11 developed. Sales of (1) electricity delivered to customers by  
12 wire; (2) natural or artificial gas that is delivered to  
13 customers through pipes, pipelines, or mains; and (3) water  
14 that is delivered to customers through pipes, pipelines, or  
15 mains are not subject to tax under this Act. The provisions of  
16 this amendatory Act of the 98th General Assembly are  
17 declaratory of existing law as to the meaning and scope of this  
18 Act.

19 The imposition of the tax under this Act on tangible  
20 personal property transferred by lease by persons engaged in  
21 the business of making sales of service applies to leases in  
22 effect, entered into, or renewed on or after January 1, 2025.  
23 In the case of leases, except as otherwise provided in this  
24 Act, the serviceman who is a lessor must remit for each tax  
25 return period only the tax applicable to that part of the  
26 selling price actually received during such tax return period.

1 (Source: P.A. 98-583, eff. 1-1-14.)

2 (35 ILCS 115/3-5)

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

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

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

15 (3) Personal property purchased by any not-for-profit arts  
16 or cultural organization that establishes, by proof required  
17 by the Department by rule, that it has received an exemption  
18 under Section 501(c)(3) of the Internal Revenue Code and that  
19 is organized and operated primarily for the presentation or  
20 support of arts or cultural programming, activities, or  
21 services. These organizations include, but are not limited to,  
22 music and dramatic arts organizations such as symphony  
23 orchestras and theatrical groups, arts and cultural service  
24 organizations, local arts councils, visual arts organizations,  
25 and media arts organizations. On and after July 1, 2001 (the

1 effective date of Public Act 92-35), however, an entity  
2 otherwise eligible for this exemption shall not make tax-free  
3 purchases unless it has an active identification number issued  
4 by the Department.

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

9 (5) Until July 1, 2003 and beginning again on September 1,  
10 2004 through August 30, 2014, graphic arts machinery and  
11 equipment, including repair and replacement parts, both new  
12 and used, and including that manufactured on special order or  
13 purchased for lease, certified by the purchaser to be used  
14 primarily for graphic arts production. Equipment includes  
15 chemicals or chemicals acting as catalysts but only if the  
16 chemicals or chemicals acting as catalysts effect a direct and  
17 immediate change upon a graphic arts product. Beginning on  
18 July 1, 2017, graphic arts machinery and equipment is included  
19 in the manufacturing and assembling machinery and equipment  
20 exemption under Section 2 of this Act.

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

24 (7) Farm machinery and equipment, both new and used,  
25 including that manufactured on special order, certified by the  
26 purchaser to be used primarily for production agriculture or



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

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

25 Farm machinery and equipment also includes computers,  
26 sensors, software, and related equipment used primarily in the

1 computer-assisted operation of production agriculture  
2 facilities, equipment, and activities such as, but not limited  
3 to, the collection, monitoring, and correlation of animal and  
4 crop data for the purpose of formulating animal diets and  
5 agricultural chemicals.

6 Beginning on January 1, 2024, farm machinery and equipment  
7 also includes electrical power generation equipment used  
8 primarily for production agriculture.

9 This item (7) is exempt from the provisions of Section  
10 3-55.

11 (8) Until June 30, 2013, fuel and petroleum products sold  
12 to or used by an air common carrier, certified by the carrier  
13 to be used for consumption, shipment, or storage in the  
14 conduct of its business as an air common carrier, for a flight  
15 destined for or returning from a location or locations outside  
16 the United States without regard to previous or subsequent  
17 domestic stopovers.

18 Beginning July 1, 2013, fuel and petroleum products sold  
19 to or used by an air carrier, certified by the carrier to be  
20 used for consumption, shipment, or storage in the conduct of  
21 its business as an air common carrier, for a flight that (i) is  
22 engaged in foreign trade or is engaged in trade between the  
23 United States and any of its possessions and (ii) transports  
24 at least one individual or package for hire from the city of  
25 origination to the city of final destination on the same  
26 aircraft, without regard to a change in the flight number of

1 that aircraft.

2 (9) Proceeds of mandatory service charges separately  
3 stated on customers' bills for the purchase and consumption of  
4 food and beverages, to the extent that the proceeds of the  
5 service charge are in fact turned over as tips or as a  
6 substitute for tips to the employees who participate directly  
7 in preparing, serving, hosting or cleaning up the food or  
8 beverage function with respect to which the service charge is  
9 imposed.

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

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

25 (12) Until July 1, 2028, coal and aggregate exploration,  
26 mining, off-highway hauling, processing, maintenance, and

1 reclamation equipment, including replacement parts and  
2 equipment, and including equipment purchased for lease, but  
3 excluding motor vehicles required to be registered under the  
4 Illinois Vehicle Code. The changes made to this Section by  
5 Public Act 97-767 apply on and after July 1, 2003, but no claim  
6 for credit or refund is allowed on or after August 16, 2013  
7 (the effective date of Public Act 98-456) for such taxes paid  
8 during the period beginning July 1, 2003 and ending on August  
9 16, 2013 (the effective date of Public Act 98-456).

10 (13) Beginning January 1, 1992 and through June 30, 2016,  
11 food for human consumption that is to be consumed off the  
12 premises where it is sold (other than alcoholic beverages,  
13 soft drinks and food that has been prepared for immediate  
14 consumption) and prescription and non-prescription medicines,  
15 drugs, medical appliances, and insulin, urine testing  
16 materials, syringes, and needles used by diabetics, for human  
17 use, when purchased for use by a person receiving medical  
18 assistance under Article V of the Illinois Public Aid Code who  
19 resides in a licensed long-term care facility, as defined in  
20 the Nursing Home Care Act, or in a licensed facility as defined  
21 in the ID/DD Community Care Act, the MC/DD Act, or the  
22 Specialized Mental Health Rehabilitation Act of 2013.

23 (14) Semen used for artificial insemination of livestock  
24 for direct agricultural production.

25 (15) Horses, or interests in horses, registered with and  
26 meeting the requirements of any of the Arabian Horse Club

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

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

20 (17) Personal property sold to a lessor who leases the  
21 property, under a lease of one year or longer executed or in  
22 effect at the time of the purchase, to a governmental body that  
23 has been issued an active tax exemption identification number  
24 by the Department under Section 1g of the Retailers'  
25 Occupation Tax Act.

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

1 December 31, 1995 and ending with taxable years ending on or  
2 before December 31, 2004, personal property that is donated  
3 for disaster relief to be used in a State or federally declared  
4 disaster area in Illinois or bordering Illinois by a  
5 manufacturer or retailer that is registered in this State to a  
6 corporation, society, association, foundation, or institution  
7 that has been issued a sales tax exemption identification  
8 number by the Department that assists victims of the disaster  
9 who reside within the declared disaster area.

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

23 (20) Beginning July 1, 1999, game or game birds sold at a  
24 "game breeding and hunting preserve area" as that term is used  
25 in the Wildlife Code. This paragraph is exempt from the  
26 provisions of Section 3-55.

1           (21) A motor vehicle, as that term is defined in Section  
2 1-146 of the Illinois Vehicle Code, that is donated to a  
3 corporation, limited liability company, society, association,  
4 foundation, or institution that is determined by the  
5 Department to be organized and operated exclusively for  
6 educational purposes. For purposes of this exemption, "a  
7 corporation, limited liability company, society, association,  
8 foundation, or institution organized and operated exclusively  
9 for educational purposes" means all tax-supported public  
10 schools, private schools that offer systematic instruction in  
11 useful branches of learning by methods common to public  
12 schools and that compare favorably in their scope and  
13 intensity with the course of study presented in tax-supported  
14 schools, and vocational or technical schools or institutes  
15 organized and operated exclusively to provide a course of  
16 study of not less than 6 weeks duration and designed to prepare  
17 individuals to follow a trade or to pursue a manual,  
18 technical, mechanical, industrial, business, or commercial  
19 occupation.

20           (22) Beginning January 1, 2000, personal property,  
21 including food, purchased through fundraising events for the  
22 benefit of a public or private elementary or secondary school,  
23 a group of those schools, or one or more school districts if  
24 the events are sponsored by an entity recognized by the school  
25 district that consists primarily of volunteers and includes  
26 parents and teachers of the school children. This paragraph

1 does not apply to fundraising events (i) for the benefit of  
2 private home instruction or (ii) for which the fundraising  
3 entity purchases the personal property sold at the events from  
4 another individual or entity that sold the property for the  
5 purpose of resale by the fundraising entity and that profits  
6 from the sale to the fundraising entity. This paragraph is  
7 exempt from the provisions of Section 3-55.

8 (23) Beginning January 1, 2000 and through December 31,  
9 2001, new or used automatic vending machines that prepare and  
10 serve hot food and beverages, including coffee, soup, and  
11 other items, and replacement parts for these machines.  
12 Beginning January 1, 2002 and through June 30, 2003, machines  
13 and parts for machines used in commercial, coin-operated  
14 amusement and vending business if a use or occupation tax is  
15 paid on the gross receipts derived from the use of the  
16 commercial, coin-operated amusement and vending machines. This  
17 paragraph is exempt from the provisions of Section 3-55.

18 (24) Beginning on August 2, 2001 (the effective date of  
19 Public Act 92-227), computers and communications equipment  
20 utilized for any hospital purpose and equipment used in the  
21 diagnosis, analysis, or treatment of hospital patients sold to  
22 a lessor who leases the equipment, under a lease of one year or  
23 longer executed or in effect at the time of the purchase, to a  
24 hospital that has been issued an active tax exemption  
25 identification number by the Department under Section 1g of  
26 the Retailers' Occupation Tax Act. This paragraph is exempt



1 from the provisions of Section 3-55.

2 (25) Beginning on August 2, 2001 (the effective date of  
3 Public Act 92-227), personal property sold to a lessor who  
4 leases the property, under a lease of one year or longer  
5 executed or in effect at the time of the purchase, to a  
6 governmental body that has been issued an active tax exemption  
7 identification number by the Department under Section 1g of  
8 the Retailers' Occupation Tax Act. This paragraph is exempt  
9 from the provisions of Section 3-55.

10 (26) Beginning on January 1, 2002 and through June 30,  
11 2016, tangible personal property purchased from an Illinois  
12 retailer by a taxpayer engaged in centralized purchasing  
13 activities in Illinois who will, upon receipt of the property  
14 in Illinois, temporarily store the property in Illinois (i)  
15 for the purpose of subsequently transporting it outside this  
16 State for use or consumption thereafter solely outside this  
17 State or (ii) for the purpose of being processed, fabricated,  
18 or manufactured into, attached to, or incorporated into other  
19 tangible personal property to be transported outside this  
20 State and thereafter used or consumed solely outside this  
21 State. The Director of Revenue shall, pursuant to rules  
22 adopted in accordance with the Illinois Administrative  
23 Procedure Act, issue a permit to any taxpayer in good standing  
24 with the Department who is eligible for the exemption under  
25 this paragraph (26). The permit issued under this paragraph  
26 (26) shall authorize the holder, to the extent and in the

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

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

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

1 Municipal Code. This paragraph is exempt from the provisions  
2 of Section 3-55.

3 (29) Beginning January 1, 2010 and continuing through  
4 December 31, 2029, materials, parts, equipment, components,  
5 and furnishings incorporated into or upon an aircraft as part  
6 of the modification, refurbishment, completion, replacement,  
7 repair, or maintenance of the aircraft. This exemption  
8 includes consumable supplies used in the modification,  
9 refurbishment, completion, replacement, repair, and  
10 maintenance of aircraft. However, until January 1, 2024, this  
11 exemption excludes any materials, parts, equipment,  
12 components, and consumable supplies used in the modification,  
13 replacement, repair, and maintenance of aircraft engines or  
14 power plants, whether such engines or power plants are  
15 installed or uninstalled upon any such aircraft. "Consumable  
16 supplies" include, but are not limited to, adhesive, tape,  
17 sandpaper, general purpose lubricants, cleaning solution,  
18 latex gloves, and protective films.

19 Beginning January 1, 2010 and continuing through December  
20 31, 2023, this exemption applies only to the transfer of  
21 qualifying tangible personal property incident to the  
22 modification, refurbishment, completion, replacement, repair,  
23 or maintenance of an aircraft by persons who (i) hold an Air  
24 Agency Certificate and are empowered to operate an approved  
25 repair station by the Federal Aviation Administration, (ii)  
26 have a Class IV Rating, and (iii) conduct operations in

1 accordance with Part 145 of the Federal Aviation Regulations.  
2 The exemption does not include aircraft operated by a  
3 commercial air carrier providing scheduled passenger air  
4 service pursuant to authority issued under Part 121 or Part  
5 129 of the Federal Aviation Regulations. From January 1, 2024  
6 through December 31, 2029, this exemption applies only to the  
7 use of qualifying tangible personal property by: (A) persons  
8 who modify, refurbish, complete, repair, replace, or maintain  
9 aircraft and who (i) hold an Air Agency Certificate and are  
10 empowered to operate an approved repair station by the Federal  
11 Aviation Administration, (ii) have a Class IV Rating, and  
12 (iii) conduct operations in accordance with Part 145 of the  
13 Federal Aviation Regulations; and (B) persons who engage in  
14 the modification, replacement, repair, and maintenance of  
15 aircraft engines or power plants without regard to whether or  
16 not those persons meet the qualifications of item (A).

17 The changes made to this paragraph (29) by Public Act  
18 98-534 are declarative of existing law. It is the intent of the  
19 General Assembly that the exemption under this paragraph (29)  
20 applies continuously from January 1, 2010 through December 31,  
21 2024; however, no claim for credit or refund is allowed for  
22 taxes paid as a result of the disallowance of this exemption on  
23 or after January 1, 2015 and prior to February 5, 2020 (the  
24 effective date of Public Act 101-629).

25 (30) Beginning January 1, 2017 and through December 31,  
26 2026, menstrual pads, tampons, and menstrual cups.

1           (31) Tangible personal property transferred to a purchaser  
2 who is exempt from tax by operation of federal law. This  
3 paragraph is exempt from the provisions of Section 3-55.

4           (32) Qualified tangible personal property used in the  
5 construction or operation of a data center that has been  
6 granted a certificate of exemption by the Department of  
7 Commerce and Economic Opportunity, whether that tangible  
8 personal property is purchased by the owner, operator, or  
9 tenant of the data center or by a contractor or subcontractor  
10 of the owner, operator, or tenant. Data centers that would  
11 have qualified for a certificate of exemption prior to January  
12 1, 2020 had Public Act 101-31 been in effect, may apply for and  
13 obtain an exemption for subsequent purchases of computer  
14 equipment or enabling software purchased or leased to upgrade,  
15 supplement, or replace computer equipment or enabling software  
16 purchased or leased in the original investment that would have  
17 qualified.

18           The Department of Commerce and Economic Opportunity shall  
19 grant a certificate of exemption under this item (32) to  
20 qualified data centers as defined by Section 605-1025 of the  
21 Department of Commerce and Economic Opportunity Law of the  
22 Civil Administrative Code of Illinois.

23           For the purposes of this item (32):

24           "Data center" means a building or a series of  
25 buildings rehabilitated or constructed to house working  
26 servers in one physical location or multiple sites within

1 the State of Illinois.

2 "Qualified tangible personal property" means:  
3 electrical systems and equipment; climate control and  
4 chilling equipment and systems; mechanical systems and  
5 equipment; monitoring and secure systems; emergency  
6 generators; hardware; computers; servers; data storage  
7 devices; network connectivity equipment; racks; cabinets;  
8 telecommunications cabling infrastructure; raised floor  
9 systems; peripheral components or systems; software;  
10 mechanical, electrical, or plumbing systems; battery  
11 systems; cooling systems and towers; temperature control  
12 systems; other cabling; and other data center  
13 infrastructure equipment and systems necessary to operate  
14 qualified tangible personal property, including fixtures;  
15 and component parts of any of the foregoing, including  
16 installation, maintenance, repair, refurbishment, and  
17 replacement of qualified tangible personal property to  
18 generate, transform, transmit, distribute, or manage  
19 electricity necessary to operate qualified tangible  
20 personal property; and all other tangible personal  
21 property that is essential to the operations of a computer  
22 data center. The term "qualified tangible personal  
23 property" also includes building materials physically  
24 incorporated into ~~in to~~ the qualifying data center. To  
25 document the exemption allowed under this Section, the  
26 retailer must obtain from the purchaser a copy of the

1 certificate of eligibility issued by the Department of  
2 Commerce and Economic Opportunity.

3 This item (32) is exempt from the provisions of Section  
4 3-55.

5 (33) Beginning July 1, 2022, breast pumps, breast pump  
6 collection and storage supplies, and breast pump kits. This  
7 item (33) is exempt from the provisions of Section 3-55. As  
8 used in this item (33):

9 "Breast pump" means an electrically controlled or  
10 manually controlled pump device designed or marketed to be  
11 used to express milk from a human breast during lactation,  
12 including the pump device and any battery, AC adapter, or  
13 other power supply unit that is used to power the pump  
14 device and is packaged and sold with the pump device at the  
15 time of sale.

16 "Breast pump collection and storage supplies" means  
17 items of tangible personal property designed or marketed  
18 to be used in conjunction with a breast pump to collect  
19 milk expressed from a human breast and to store collected  
20 milk until it is ready for consumption.

21 "Breast pump collection and storage supplies"  
22 includes, but is not limited to: breast shields and breast  
23 shield connectors; breast pump tubes and tubing adapters;  
24 breast pump valves and membranes; backflow protectors and  
25 backflow protector adaptors; bottles and bottle caps  
26 specific to the operation of the breast pump; and breast

1 milk storage bags.

2 "Breast pump collection and storage supplies" does not  
3 include: (1) bottles and bottle caps not specific to the  
4 operation of the breast pump; (2) breast pump travel bags  
5 and other similar carrying accessories, including ice  
6 packs, labels, and other similar products; (3) breast pump  
7 cleaning supplies; (4) nursing bras, bra pads, breast  
8 shells, and other similar products; and (5) creams,  
9 ointments, and other similar products that relieve  
10 breastfeeding-related symptoms or conditions of the  
11 breasts or nipples, unless sold as part of a breast pump  
12 kit that is pre-packaged by the breast pump manufacturer  
13 or distributor.

14 "Breast pump kit" means a kit that: (1) contains no  
15 more than a breast pump, breast pump collection and  
16 storage supplies, a rechargeable battery for operating the  
17 breast pump, a breastmilk cooler, bottle stands, ice  
18 packs, and a breast pump carrying case; and (2) is  
19 pre-packaged as a breast pump kit by the breast pump  
20 manufacturer or distributor.

21 (34) Tangible personal property sold by or on behalf of  
22 the State Treasurer pursuant to the Revised Uniform Unclaimed  
23 Property Act. This item (34) is exempt from the provisions of  
24 Section 3-55.

25 (35) Beginning on January 1, 2024, tangible personal  
26 property purchased by an active duty member of the armed



1 forces of the United States who presents valid military  
2 identification and purchases the property using a form of  
3 payment where the federal government is the payor. The member  
4 of the armed forces must complete, at the point of sale, a form  
5 prescribed by the Department of Revenue documenting that the  
6 transaction is eligible for the exemption under this  
7 paragraph. Retailers must keep the form as documentation of  
8 the exemption in their records for a period of not less than 6  
9 years. "Armed forces of the United States" means the United  
10 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
11 This paragraph is exempt from the provisions of Section 3-55.

12 (36) The lease of the following tangible personal  
13 property:

14 (1) computer software transferred subject to a license  
15 that meets the following requirements:

16 (A) it is evidenced by a written agreement signed  
17 by the licensor and the customer;

18 (i) an electronic agreement in which the  
19 customer accepts the license by means of an  
20 electronic signature that is verifiable and can be  
21 authenticated and is attached to or made part of  
22 the license will comply with this requirement;

23 (ii) a license agreement in which the customer  
24 electronically accepts the terms by clicking "I  
25 agree" does not comply with this requirement;

26 (B) it restricts the customer's duplication and

1           use of the software;

2           (C) it prohibits the customer from licensing,  
3           sublicensing, or transferring the software to a third  
4           party (except to a related party) without the  
5           permission and continued control of the licensor;

6           (D) the licensor has a policy of providing another  
7           copy at minimal or no charge if the customer loses or  
8           damages the software, or of permitting the licensee to  
9           make and keep an archival copy, and such policy is  
10          either stated in the license agreement, supported by  
11          the licensor's books and records, or supported by a  
12          notarized statement made under penalties of perjury by  
13          the licensor; and

14          (E) the customer must destroy or return all copies  
15          of the software to the licensor at the end of the  
16          license period; this provision is deemed to be met, in  
17          the case of a perpetual license, without being set  
18          forth in the license agreement; and

19          (2) property that is subject to a tax on lease  
20          receipts imposed by a home rule unit of local government  
21          if the ordinance imposing that tax was adopted prior to  
22          January 1, 2023.

23          (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
24          Section 70-15, eff. 4-19-22; 102-700, Article 75, Section  
25          75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
26          Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,

1 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
2 revised 12-12-23.)

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

4 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
5 Section, the tax imposed by this Act is at the rate of 6.25% of  
6 the "selling price", as defined in Section 2 of the Service Use  
7 Tax Act, of the tangible personal property, including, on and  
8 after January 1, 2025, tangible personal property transferred  
9 by lease. For the purpose of computing this tax, in no event  
10 shall the "selling price" be less than the cost price to the  
11 serviceman of the tangible personal property transferred. The  
12 selling price of each item of tangible personal property  
13 transferred as an incident of a sale of service may be shown as  
14 a distinct and separate item on the serviceman's billing to  
15 the service customer. If the selling price is not so shown, the  
16 selling price of the tangible personal property is deemed to  
17 be 50% of the serviceman's entire billing to the service  
18 customer. When, however, a serviceman contracts to design,  
19 develop, and produce special order machinery or equipment, the  
20 tax imposed by this Act shall be based on the serviceman's cost  
21 price of the tangible personal property transferred incident  
22 to the completion of the contract.

23 Beginning on July 1, 2000 and through December 31, 2000,  
24 with respect to motor fuel, as defined in Section 1.1 of the  
25 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of

1 the Use Tax Act, the tax is imposed at the rate of 1.25%.

2 With respect to gasohol, as defined in the Use Tax Act, the  
3 tax imposed by this Act shall apply to (i) 70% of the cost  
4 price of property transferred as an incident to the sale of  
5 service on or after January 1, 1990, and before July 1, 2003,  
6 (ii) 80% of the selling price of property transferred as an  
7 incident to the sale of service on or after July 1, 2003 and on  
8 or before July 1, 2017, (iii) 100% of the selling price of  
9 property transferred as an incident to the sale of service  
10 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
11 the selling price of property transferred as an incident to  
12 the sale of service on or after January 1, 2024 and on or  
13 before December 31, 2028, and (v) 100% of the selling price of  
14 property transferred as an incident to the sale of service  
15 after December 31, 2028. If, at any time, however, the tax  
16 under this Act on sales of gasohol, as defined in the Use Tax  
17 Act, is imposed at the rate of 1.25%, then the tax imposed by  
18 this Act applies to 100% of the proceeds of sales of gasohol  
19 made during that time.

20 With respect to mid-range ethanol blends, as defined in  
21 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
22 applies to (i) 80% of the selling price of property  
23 transferred as an incident to the sale of service on or after  
24 January 1, 2024 and on or before December 31, 2028 and (ii)  
25 100% of the selling price of property transferred as an  
26 incident to the sale of service after December 31, 2028. If, at

1 any time, however, the tax under this Act on sales of mid-range  
2 ethanol blends is imposed at the rate of 1.25%, then the tax  
3 imposed by this Act applies to 100% of the selling price of  
4 mid-range ethanol blends transferred as an incident to the  
5 sale of service during that time.

6 With respect to majority blended ethanol fuel, as defined  
7 in the Use Tax Act, the tax imposed by this Act does not apply  
8 to the selling price of property transferred as an incident to  
9 the sale of service on or after July 1, 2003 and on or before  
10 December 31, 2028 but applies to 100% of the selling price  
11 thereafter.

12 With respect to biodiesel blends, as defined in the Use  
13 Tax Act, with no less than 1% and no more than 10% biodiesel,  
14 the tax imposed by this Act applies to (i) 80% of the selling  
15 price of property transferred as an incident to the sale of  
16 service on or after July 1, 2003 and on or before December 31,  
17 2018 and (ii) 100% of the proceeds of the selling price after  
18 December 31, 2018 and before January 1, 2024. On and after  
19 January 1, 2024 and on or before December 31, 2030, the  
20 taxation of biodiesel, renewable diesel, and biodiesel blends  
21 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
22 at any time, however, the tax under this Act on sales of  
23 biodiesel blends, as defined in the Use Tax Act, with no less  
24 than 1% and no more than 10% biodiesel is imposed at the rate  
25 of 1.25%, then the tax imposed by this Act applies to 100% of  
26 the proceeds of sales of biodiesel blends with no less than 1%

1 and no more than 10% biodiesel made during that time.

2 With respect to biodiesel, as defined in the Use Tax Act,  
3 and biodiesel blends, as defined in the Use Tax Act, with more  
4 than 10% but no more than 99% biodiesel material, the tax  
5 imposed by this Act does not apply to the proceeds of the  
6 selling price of property transferred as an incident to the  
7 sale of service on or after July 1, 2003 and on or before  
8 December 31, 2023. On and after January 1, 2024 and on or  
9 before December 31, 2030, the taxation of biodiesel, renewable  
10 diesel, and biodiesel blends shall be as provided in Section  
11 3-5.1 of the Use Tax Act.

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

22 Until July 1, 2022 and beginning again on July 1, 2023, the  
23 tax shall be imposed at the rate of 1% on food prepared for  
24 immediate consumption and transferred incident to a sale of  
25 service subject to this Act or the Service Use Tax Act by an  
26 entity licensed under the Hospital Licensing Act, the Nursing

1 Home Care Act, the Assisted Living and Shared Housing Act, the  
2 ID/DD Community Care Act, the MC/DD Act, the Specialized  
3 Mental Health Rehabilitation Act of 2013, or the Child Care  
4 Act of 1969, or an entity that holds a permit issued pursuant  
5 to the Life Care Facilities Act. Until July 1, 2022 and  
6 beginning again on July 1, 2023, the tax shall also be imposed  
7 at the rate of 1% on food for human consumption that is to be  
8 consumed off the premises where it is sold (other than  
9 alcoholic beverages, food consisting of or infused with adult  
10 use cannabis, soft drinks, and food that has been prepared for  
11 immediate consumption and is not otherwise included in this  
12 paragraph).

13 Beginning on July 1, 2022 and until July 1, 2023, the tax  
14 shall be imposed at the rate of 0% on food prepared for  
15 immediate consumption and transferred incident to a sale of  
16 service subject to this Act or the Service Use Tax Act by an  
17 entity licensed under the Hospital Licensing Act, the Nursing  
18 Home Care Act, the Assisted Living and Shared Housing Act, the  
19 ID/DD Community Care Act, the MC/DD Act, the Specialized  
20 Mental Health Rehabilitation Act of 2013, or the Child Care  
21 Act of 1969, or an entity that holds a permit issued pursuant  
22 to the Life Care Facilities Act. Beginning July 1, 2022 and  
23 until July 1, 2023, the tax shall also be imposed at the rate  
24 of 0% on food for human consumption that is to be consumed off  
25 the premises where it is sold (other than alcoholic beverages,  
26 food consisting of or infused with adult use cannabis, soft

1 drinks, and food that has been prepared for immediate  
2 consumption and is not otherwise included in this paragraph).

3 The tax shall also be imposed at the rate of 1% on  
4 prescription and nonprescription medicines, drugs, medical  
5 appliances, products classified as Class III medical devices  
6 by the United States Food and Drug Administration that are  
7 used for cancer treatment pursuant to a prescription, as well  
8 as any accessories and components related to those devices,  
9 modifications to a motor vehicle for the purpose of rendering  
10 it usable by a person with a disability, and insulin, blood  
11 sugar testing materials, syringes, and needles used by human  
12 diabetics. For the purposes of this Section, until September  
13 1, 2009: the term "soft drinks" means any complete, finished,  
14 ready-to-use, non-alcoholic drink, whether carbonated or not,  
15 including, but not limited to, soda water, cola, fruit juice,  
16 vegetable juice, carbonated water, and all other preparations  
17 commonly known as soft drinks of whatever kind or description  
18 that are contained in any closed or sealed can, carton, or  
19 container, regardless of size; but "soft drinks" does not  
20 include coffee, tea, non-carbonated water, infant formula,  
21 milk or milk products as defined in the Grade A Pasteurized  
22 Milk and Milk Products Act, or drinks containing 50% or more  
23 natural fruit or vegetable juice.

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



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

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

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

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

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

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

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

16 Beginning on January 1, 2014 (the effective date of Public  
17 Act 98-122), "prescription and nonprescription medicines and  
18 drugs" includes medical cannabis purchased from a registered  
19 dispensing organization under the Compassionate Use of Medical  
20 Cannabis Program Act.

21 As used in this Section, "adult use cannabis" means  
22 cannabis subject to tax under the Cannabis Cultivation  
23 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
24 and does not include cannabis subject to tax under the  
25 Compassionate Use of Medical Cannabis Program Act.

26 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;

1 102-700, Article 20, Section 20-15, eff. 4-19-22; 102-700,  
2 Article 60, Section 60-25, eff. 4-19-22; 103-9, eff. 6-7-23;  
3 103-154, eff. 6-30-23.)

4 Section 75-20. The Retailers' Occupation Tax Act is  
5 amended by changing the title of the Act, by changing Sections  
6 1, 2, 2-5, 2-10, 2-12, 2a, 2c, and 3, and by adding Section  
7 1.05 as follows:

8 (35 ILCS 120/Act title)

9 An Act in relation to a tax upon persons engaged in the  
10 business of selling, including leasing, tangible personal  
11 property.

12 (35 ILCS 120/1) (from Ch. 120, par. 440)

13 Sec. 1. Definitions. "Sale at retail" means any transfer  
14 of the ownership of, the ~~or~~ title to, the possession or control  
15 of, the right to possess or control, or a license to use  
16 tangible personal property to a purchaser, for the purpose of  
17 use or consumption, and not for the purpose of resale in any  
18 form as tangible personal property to the extent not first  
19 subjected to a use for which it was purchased, for a valuable  
20 consideration: Provided that the property purchased is deemed  
21 to be purchased for the purpose of resale, despite first being  
22 used, to the extent to which it is resold as an ingredient of  
23 an intentionally produced product or byproduct of

1 manufacturing. For this purpose, slag produced as an incident  
2 to manufacturing pig iron or steel and sold is considered to be  
3 an intentionally produced byproduct of manufacturing.  
4 Transactions whereby the possession of the property is  
5 transferred but the seller retains the title as security for  
6 payment of the selling price shall be deemed to be sales.

7 "Sale at retail" shall be construed to include any  
8 transfer of the ownership of, the ~~or~~ title to, the possession  
9 or control of, the right to possess or control, or a license to  
10 use tangible personal property to a purchaser, for use or  
11 consumption by any other person to whom such purchaser may  
12 transfer the tangible personal property without a valuable  
13 consideration, and to include any transfer, whether made for  
14 or without a valuable consideration, for resale in any form as  
15 tangible personal property unless made in compliance with  
16 Section 2c of this Act.

17 Sales of tangible personal property, which property, to  
18 the extent not first subjected to a use for which it was  
19 purchased, as an ingredient or constituent, goes into and  
20 forms a part of tangible personal property subsequently the  
21 subject of a "Sale at retail", are not sales at retail as  
22 defined in this Act: Provided that the property purchased is  
23 deemed to be purchased for the purpose of resale, despite  
24 first being used, to the extent to which it is resold as an  
25 ingredient of an intentionally produced product or byproduct  
26 of manufacturing.

1 "Sale at retail" shall be construed to include any  
2 Illinois florist's sales transaction in which the purchase  
3 order is received in Illinois by a florist and the sale is for  
4 use or consumption, but the Illinois florist has a florist in  
5 another state deliver the property to the purchaser or the  
6 purchaser's donee in such other state.

7 Nonreusable tangible personal property that is used by  
8 persons engaged in the business of operating a restaurant,  
9 cafeteria, or drive-in is a sale for resale when it is  
10 transferred to customers in the ordinary course of business as  
11 part of the sale of food or beverages and is used to deliver,  
12 package, or consume food or beverages, regardless of where  
13 consumption of the food or beverages occurs. Examples of those  
14 items include, but are not limited to nonreusable, paper and  
15 plastic cups, plates, baskets, boxes, sleeves, buckets or  
16 other containers, utensils, straws, placemats, napkins, doggie  
17 bags, and wrapping or packaging materials that are transferred  
18 to customers as part of the sale of food or beverages in the  
19 ordinary course of business.

20 The purchase, employment and transfer of such tangible  
21 personal property as newsprint and ink for the primary purpose  
22 of conveying news (with or without other information) is not a  
23 purchase, use or sale of tangible personal property.

24 A person whose activities are organized and conducted  
25 primarily as a not-for-profit service enterprise, and who  
26 engages in selling tangible personal property at retail

1 (whether to the public or merely to members and their guests)  
2 is engaged in the business of selling tangible personal  
3 property at retail with respect to such transactions,  
4 excepting only a person organized and operated exclusively for  
5 charitable, religious or educational purposes either (1), to  
6 the extent of sales by such person to its members, students,  
7 patients or inmates of tangible personal property to be used  
8 primarily for the purposes of such person, or (2), to the  
9 extent of sales by such person of tangible personal property  
10 which is not sold or offered for sale by persons organized for  
11 profit. The selling of school books and school supplies by  
12 schools at retail to students is not "primarily for the  
13 purposes of" the school which does such selling. The  
14 provisions of this paragraph shall not apply to nor subject to  
15 taxation occasional dinners, socials or similar activities of  
16 a person organized and operated exclusively for charitable,  
17 religious or educational purposes, whether or not such  
18 activities are open to the public.

19 A person who is the recipient of a grant or contract under  
20 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and  
21 serves meals to participants in the federal Nutrition Program  
22 for the Elderly in return for contributions established in  
23 amount by the individual participant pursuant to a schedule of  
24 suggested fees as provided for in the federal Act is not  
25 engaged in the business of selling tangible personal property  
26 at retail with respect to such transactions.

1       "Lease" means a transfer of the possession or control of,  
2 the right to possess or control, or a license to use, but not  
3 title to, tangible personal property for a fixed or  
4 indeterminate term for consideration, regardless of the name  
5 by which the transaction is called. "Lease" does not include a  
6 lease entered into merely as a security agreement that does  
7 not involve a transfer of possession or control from the  
8 lessor to the lessee.

9       On and after January 1, 2025, the term "sale", when used in  
10 this Act, includes a lease.

11       "Purchaser" means anyone who, through a sale at retail,  
12 acquires the ownership of, the ~~or~~ title to, the possession or  
13 control of, the right to possess or control, or a license to  
14 use tangible personal property for a valuable consideration.

15       "Reseller of motor fuel" means any person engaged in the  
16 business of selling or delivering or transferring title of  
17 motor fuel to another person other than for use or  
18 consumption. No person shall act as a reseller of motor fuel  
19 within this State without first being registered as a reseller  
20 pursuant to Section 2c or a retailer pursuant to Section 2a.

21       "Selling price" or the "amount of sale" means the  
22 consideration for a sale valued in money whether received in  
23 money or otherwise, including cash, credits, property, other  
24 than as hereinafter provided, and services, but, prior to  
25 January 1, 2020 and beginning again on January 1, 2022, not  
26 including the value of or credit given for traded-in tangible

1 personal property where the item that is traded-in is of like  
2 kind and character as that which is being sold; beginning  
3 January 1, 2020 and until January 1, 2022, "selling price"  
4 includes the portion of the value of or credit given for  
5 traded-in motor vehicles of the First Division as defined in  
6 Section 1-146 of the Illinois Vehicle Code of like kind and  
7 character as that which is being sold that exceeds \$10,000.  
8 "Selling price" shall be determined without any deduction on  
9 account of the cost of the property sold, the cost of materials  
10 used, labor or service cost or any other expense whatsoever,  
11 but does not include charges that are added to prices by  
12 sellers on account of the seller's tax liability under this  
13 Act, or on account of the seller's duty to collect, from the  
14 purchaser, the tax that is imposed by the Use Tax Act, or,  
15 except as otherwise provided with respect to any cigarette tax  
16 imposed by a home rule unit, on account of the seller's tax  
17 liability under any local occupation tax administered by the  
18 Department, or, except as otherwise provided with respect to  
19 any cigarette tax imposed by a home rule unit on account of the  
20 seller's duty to collect, from the purchasers, the tax that is  
21 imposed under any local use tax administered by the  
22 Department. Effective December 1, 1985, "selling price" shall  
23 include charges that are added to prices by sellers on account  
24 of the seller's tax liability under the Cigarette Tax Act, on  
25 account of the sellers' duty to collect, from the purchaser,  
26 the tax imposed under the Cigarette Use Tax Act, and on account



1 of the seller's duty to collect, from the purchaser, any  
2 cigarette tax imposed by a home rule unit.

3 The provisions of this paragraph, which provides only for  
4 an alternative meaning of "selling price" with respect to the  
5 sale of certain motor vehicles incident to the contemporaneous  
6 lease of those motor vehicles, continue in effect and are not  
7 changed by the tax on leases implemented by this amendatory  
8 Act of the 103rd General Assembly. Notwithstanding any law to  
9 the contrary, for any motor vehicle, as defined in Section  
10 1-146 of the Vehicle Code, that is sold on or after January 1,  
11 2015 for the purpose of leasing the vehicle for a defined  
12 period that is longer than one year and (1) is a motor vehicle  
13 of the second division that: (A) is a self-contained motor  
14 vehicle designed or permanently converted to provide living  
15 quarters for recreational, camping, or travel use, with direct  
16 walk through access to the living quarters from the driver's  
17 seat; (B) is of the van configuration designed for the  
18 transportation of not less than 7 nor more than 16 passengers;  
19 or (C) has a gross vehicle weight rating of 8,000 pounds or  
20 less or (2) is a motor vehicle of the first division, "selling  
21 price" or "amount of sale" means the consideration received by  
22 the lessor pursuant to the lease contract, including amounts  
23 due at lease signing and all monthly or other regular payments  
24 charged over the term of the lease. Also included in the  
25 selling price is any amount received by the lessor from the  
26 lessee for the leased vehicle that is not calculated at the

1 time the lease is executed, including, but not limited to,  
2 excess mileage charges and charges for excess wear and tear.  
3 For sales that occur in Illinois, with respect to any amount  
4 received by the lessor from the lessee for the leased vehicle  
5 that is not calculated at the time the lease is executed, the  
6 lessor who purchased the motor vehicle does not incur the tax  
7 imposed by the Use Tax Act on those amounts, and the retailer  
8 who makes the retail sale of the motor vehicle to the lessor is  
9 not required to collect the tax imposed by the Use Tax Act or  
10 to pay the tax imposed by this Act on those amounts. However,  
11 the lessor who purchased the motor vehicle assumes the  
12 liability for reporting and paying the tax on those amounts  
13 directly to the Department in the same form (Illinois  
14 Retailers' Occupation Tax, and local retailers' occupation  
15 taxes, if applicable) in which the retailer would have  
16 reported and paid such tax if the retailer had accounted for  
17 the tax to the Department. For amounts received by the lessor  
18 from the lessee that are not calculated at the time the lease  
19 is executed, the lessor must file the return and pay the tax to  
20 the Department by the due date otherwise required by this Act  
21 for returns other than transaction returns. If the retailer is  
22 entitled under this Act to a discount for collecting and  
23 remitting the tax imposed under this Act to the Department  
24 with respect to the sale of the motor vehicle to the lessor,  
25 then the right to the discount provided in this Act shall be  
26 transferred to the lessor with respect to the tax paid by the

1 lessor for any amount received by the lessor from the lessee  
2 for the leased vehicle that is not calculated at the time the  
3 lease is executed; provided that the discount is only allowed  
4 if the return is timely filed and for amounts timely paid. The  
5 "selling price" of a motor vehicle that is sold on or after  
6 January 1, 2015 for the purpose of leasing for a defined period  
7 of longer than one year shall not be reduced by the value of or  
8 credit given for traded-in tangible personal property owned by  
9 the lessor, nor shall it be reduced by the value of or credit  
10 given for traded-in tangible personal property owned by the  
11 lessee, regardless of whether the trade-in value thereof is  
12 assigned by the lessee to the lessor. In the case of a motor  
13 vehicle that is sold for the purpose of leasing for a defined  
14 period of longer than one year, the sale occurs at the time of  
15 the delivery of the vehicle, regardless of the due date of any  
16 lease payments. A lessor who incurs a Retailers' Occupation  
17 Tax liability on the sale of a motor vehicle coming off lease  
18 may not take a credit against that liability for the Use Tax  
19 the lessor paid upon the purchase of the motor vehicle (or for  
20 any tax the lessor paid with respect to any amount received by  
21 the lessor from the lessee for the leased vehicle that was not  
22 calculated at the time the lease was executed) if the selling  
23 price of the motor vehicle at the time of purchase was  
24 calculated using the definition of "selling price" as defined  
25 in this paragraph. Notwithstanding any other provision of this  
26 Act to the contrary, lessors shall file all returns and make

1 all payments required under this paragraph to the Department  
2 by electronic means in the manner and form as required by the  
3 Department. This paragraph does not apply to leases of motor  
4 vehicles for which, at the time the lease is entered into, the  
5 term of the lease is not a defined period, including leases  
6 with a defined initial period with the option to continue the  
7 lease on a month-to-month or other basis beyond the initial  
8 defined period.

9 The phrase "like kind and character" shall be liberally  
10 construed (including but not limited to any form of motor  
11 vehicle for any form of motor vehicle, or any kind of farm or  
12 agricultural implement for any other kind of farm or  
13 agricultural implement), while not including a kind of item  
14 which, if sold at retail by that retailer, would be exempt from  
15 retailers' occupation tax and use tax as an isolated or  
16 occasional sale.

17 "Gross receipts" from the sales of tangible personal  
18 property at retail means the total selling price or the amount  
19 of such sales, as hereinbefore defined. In the case of charge  
20 and time sales, the amount thereof shall be included only as  
21 and when payments are received by the seller. In the case of  
22 leases, except as otherwise provided in this Act, the amount  
23 thereof shall be included only as and when gross receipts are  
24 received by the lessor. Receipts or other consideration  
25 derived by a seller from the sale, transfer or assignment of  
26 accounts receivable to a wholly owned subsidiary will not be

1 deemed payments prior to the time the purchaser makes payment  
2 on such accounts.

3 "Department" means the Department of Revenue.

4 "Person" means any natural individual, firm, partnership,  
5 association, joint stock company, joint adventure, public or  
6 private corporation, limited liability company, or a receiver,  
7 executor, trustee, guardian or other representative appointed  
8 by order of any court.

9 The isolated or occasional sale of tangible personal  
10 property at retail by a person who does not hold himself out as  
11 being engaged (or who does not habitually engage) in selling  
12 such tangible personal property at retail, or a sale through a  
13 bulk vending machine, does not constitute engaging in a  
14 business of selling such tangible personal property at retail  
15 within the meaning of this Act; provided that any person who is  
16 engaged in a business which is not subject to the tax imposed  
17 by this Act because of involving the sale of or a contract to  
18 sell real estate or a construction contract to improve real  
19 estate or a construction contract to engineer, install, and  
20 maintain an integrated system of products, but who, in the  
21 course of conducting such business, transfers tangible  
22 personal property to users or consumers in the finished form  
23 in which it was purchased, and which does not become real  
24 estate or was not engineered and installed, under any  
25 provision of a construction contract or real estate sale or  
26 real estate sales agreement entered into with some other

1 person arising out of or because of such nontaxable business,  
2 is engaged in the business of selling tangible personal  
3 property at retail to the extent of the value of the tangible  
4 personal property so transferred. If, in such a transaction, a  
5 separate charge is made for the tangible personal property so  
6 transferred, the value of such property, for the purpose of  
7 this Act, shall be the amount so separately charged, but not  
8 less than the cost of such property to the transferor; if no  
9 separate charge is made, the value of such property, for the  
10 purposes of this Act, is the cost to the transferor of such  
11 tangible personal property. Construction contracts for the  
12 improvement of real estate consisting of engineering,  
13 installation, and maintenance of voice, data, video, security,  
14 and all telecommunication systems do not constitute engaging  
15 in a business of selling tangible personal property at retail  
16 within the meaning of this Act if they are sold at one  
17 specified contract price.

18 A person who holds himself or herself out as being engaged  
19 (or who habitually engages) in selling tangible personal  
20 property at retail is a person engaged in the business of  
21 selling tangible personal property at retail hereunder with  
22 respect to such sales (and not primarily in a service  
23 occupation) notwithstanding the fact that such person designs  
24 and produces such tangible personal property on special order  
25 for the purchaser and in such a way as to render the property  
26 of value only to such purchaser, if such tangible personal

1 property so produced on special order serves substantially the  
2 same function as stock or standard items of tangible personal  
3 property that are sold at retail.

4 Persons who engage in the business of transferring  
5 tangible personal property upon the redemption of trading  
6 stamps are engaged in the business of selling such property at  
7 retail and shall be liable for and shall pay the tax imposed by  
8 this Act on the basis of the retail value of the property  
9 transferred upon redemption of such stamps.

10 "Bulk vending machine" means a vending machine, containing  
11 unsorted confections, nuts, toys, or other items designed  
12 primarily to be used or played with by children which, when a  
13 coin or coins of a denomination not larger than \$0.50 are  
14 inserted, are dispensed in equal portions, at random and  
15 without selection by the customer.

16 "Remote retailer" means a retailer that does not maintain  
17 within this State, directly or by a subsidiary, an office,  
18 distribution house, sales house, warehouse or other place of  
19 business, or any agent or other representative operating  
20 within this State under the authority of the retailer or its  
21 subsidiary, irrespective of whether such place of business or  
22 agent is located here permanently or temporarily or whether  
23 such retailer or subsidiary is licensed to do business in this  
24 State.

25 "Marketplace" means a physical or electronic place, forum,  
26 platform, application, or other method by which a marketplace

1 seller sells or offers to sell items.

2 "Marketplace facilitator" means a person who, pursuant to  
3 an agreement with an unrelated third-party marketplace seller,  
4 directly or indirectly through one or more affiliates  
5 facilitates a retail sale by an unrelated third party  
6 marketplace seller by:

7 (1) listing or advertising for sale by the marketplace  
8 seller in a marketplace, tangible personal property that  
9 is subject to tax under this Act; and

10 (2) either directly or indirectly, through agreements  
11 or arrangements with third parties, collecting payment  
12 from the customer and transmitting that payment to the  
13 marketplace seller regardless of whether the marketplace  
14 facilitator receives compensation or other consideration  
15 in exchange for its services.

16 A person who provides advertising services, including  
17 listing products for sale, is not considered a marketplace  
18 facilitator, so long as the advertising service platform or  
19 forum does not engage, directly or indirectly through one or  
20 more affiliated persons, in the activities described in  
21 paragraph (2) of this definition of "marketplace facilitator".

22 "Marketplace facilitator" does not include any person  
23 licensed under the Auction License Act. This exemption does  
24 not apply to any person who is an Internet auction listing  
25 service, as defined by the Auction License Act.

26 "Marketplace seller" means a person that makes sales



1 through a marketplace operated by an unrelated third party  
2 marketplace facilitator.

3 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20;  
4 102-353, eff. 1-1-22; 102-634, eff. 8-27-21; 102-813, eff.  
5 5-13-22.)

6 (35 ILCS 120/1.05 new)

7 Sec. 1.05. Legislative intent; leases. It is the intent of  
8 the General Assembly in enacting this amendatory Act of the  
9 103rd General Assembly to apply the tax imposed under this  
10 Act, except as otherwise provided in this Act, to persons  
11 engaged in the business of leasing at retail tangible personal  
12 property, other than motor vehicles, watercraft, aircraft, and  
13 semitrailers, as defined in Section 1-187 of the Illinois  
14 Vehicle Code, that are required to be registered with an  
15 agency of this State, leased at retail from a retailer, for  
16 leases in effect, entered into, or renewed on or after January  
17 1, 2025.

18 (35 ILCS 120/2) (from Ch. 120, par. 441)

19 Sec. 2. Tax imposed.

20 (a) A tax is imposed upon persons engaged in the business  
21 of selling at retail, which, on and after January 1, 2025,  
22 includes leasing, tangible personal property, including  
23 computer software, and including photographs, negatives, and  
24 positives that are the product of photoprocessing, but not

1 including products of photoprocessing produced for use in  
2 motion pictures for public commercial exhibition. Beginning  
3 January 1, 2001, prepaid telephone calling arrangements shall  
4 be considered tangible personal property subject to the tax  
5 imposed under this Act regardless of the form in which those  
6 arrangements may be embodied, transmitted, or fixed by any  
7 method now known or hereafter developed.

8 The imposition of the tax under this Act on persons  
9 engaged in the business of leasing tangible personal property  
10 applies to leases in effect, entered into, or renewed on or  
11 after January 1, 2025. In the case of leases, except as  
12 otherwise provided in this Act, the lessor must remit, for  
13 each tax return period, only the tax applicable to that part of  
14 the selling price actually received during such tax return  
15 period.

16 The inclusion of leases in the tax imposed under this Act  
17 by this amendatory Act of the 103rd General Assembly does not,  
18 however, extend to motor vehicles, watercraft, aircraft, and  
19 semitrailers, as defined in Section 1-187 of the Illinois  
20 Vehicle Code, that are required to be registered with an  
21 agency of this State. The taxation of these items shall  
22 continue in effect as prior to the effective date of the  
23 changes made to this Section by this amendatory Act of the  
24 103rd General Assembly (i.e., dealers owe retailers'  
25 occupation tax, lessors owe use tax, and lessees are not  
26 subject to retailers' occupation or use tax).

1 Sales of (1) electricity delivered to customers by wire;  
2 (2) natural or artificial gas that is delivered to customers  
3 through pipes, pipelines, or mains; and (3) water that is  
4 delivered to customers through pipes, pipelines, or mains are  
5 not subject to tax under this Act. The provisions of this  
6 amendatory Act of the 98th General Assembly are declaratory of  
7 existing law as to the meaning and scope of this Act.

8 (b) Beginning on January 1, 2021, a remote retailer is  
9 engaged in the occupation of selling at retail in Illinois for  
10 purposes of this Act, if:

11 (1) the cumulative gross receipts from sales of  
12 tangible personal property to purchasers in Illinois are  
13 \$100,000 or more; or

14 (2) the retailer enters into 200 or more separate  
15 transactions for the sale of tangible personal property to  
16 purchasers in Illinois.

17 Remote retailers that meet or exceed the threshold in  
18 either paragraph (1) or (2) above shall be liable for all  
19 applicable State retailers' and locally imposed retailers'  
20 occupation taxes administered by the Department on all retail  
21 sales to Illinois purchasers.

22 The remote retailer shall determine on a quarterly basis,  
23 ending on the last day of March, June, September, and  
24 December, whether he or she meets the criteria of either  
25 paragraph (1) or (2) of this subsection for the preceding  
26 12-month period. If the retailer meets the criteria of either

1 paragraph (1) or (2) for a 12-month period, he or she is  
2 considered a retailer maintaining a place of business in this  
3 State and is required to collect and remit the tax imposed  
4 under this Act and all retailers' occupation tax imposed by  
5 local taxing jurisdictions in Illinois, provided such local  
6 taxes are administered by the Department, and to file all  
7 applicable returns for one year. At the end of that one-year  
8 period, the retailer shall determine whether the retailer met  
9 the criteria of either paragraph (1) or (2) for the preceding  
10 12-month period. If the retailer met the criteria in either  
11 paragraph (1) or (2) for the preceding 12-month period, he or  
12 she is considered a retailer maintaining a place of business  
13 in this State and is required to collect and remit all  
14 applicable State and local retailers' occupation taxes and  
15 file returns for the subsequent year. If, at the end of a  
16 one-year period, a retailer that was required to collect and  
17 remit the tax imposed under this Act determines that he or she  
18 did not meet the criteria in either paragraph (1) or (2) during  
19 the preceding 12-month period, then the retailer shall  
20 subsequently determine on a quarterly basis, ending on the  
21 last day of March, June, September, and December, whether he  
22 or she meets the criteria of either paragraph (1) or (2) for  
23 the preceding 12-month period.

24 (b-5) For the purposes of this Section, neither the gross  
25 receipts from nor the number of separate transactions for  
26 sales of tangible personal property to purchasers in Illinois

1 that a remote retailer makes through a marketplace facilitator  
2 shall be included for the purposes of determining whether he  
3 or she has met the thresholds of subsection (b) of this Section  
4 so long as the remote retailer has received certification from  
5 the marketplace facilitator that the marketplace facilitator  
6 is legally responsible for payment of tax on such sales.

7 (b-10) A remote retailer required to collect taxes imposed  
8 under the Use Tax Act on retail sales made to Illinois  
9 purchasers shall be liable to the Department for such taxes,  
10 except when the remote retailer is relieved of the duty to  
11 remit such taxes by virtue of having paid to the Department  
12 taxes imposed by this Act in accordance with this Section upon  
13 his or her gross receipts from such sales.

14 (c) Marketplace facilitators engaged in the business of  
15 selling at retail tangible personal property in Illinois.  
16 Beginning January 1, 2021, a marketplace facilitator is  
17 engaged in the occupation of selling at retail tangible  
18 personal property in Illinois for purposes of this Act if,  
19 during the previous 12-month period:

20 (1) the cumulative gross receipts from sales of  
21 tangible personal property on its own behalf or on behalf  
22 of marketplace sellers to purchasers in Illinois equals  
23 \$100,000 or more; or

24 (2) the marketplace facilitator enters into 200 or  
25 more separate transactions on its own behalf or on behalf  
26 of marketplace sellers for the sale of tangible personal

1 property to purchasers in Illinois, regardless of whether  
2 the marketplace facilitator or marketplace sellers for  
3 whom such sales are facilitated are registered as  
4 retailers in this State.

5 A marketplace facilitator who meets either paragraph (1)  
6 or (2) of this subsection is required to remit the applicable  
7 State retailers' occupation taxes under this Act and local  
8 retailers' occupation taxes administered by the Department on  
9 all taxable sales of tangible personal property made by the  
10 marketplace facilitator or facilitated for marketplace sellers  
11 to customers in this State. A marketplace facilitator selling  
12 or facilitating the sale of tangible personal property to  
13 customers in this State is subject to all applicable  
14 procedures and requirements of this Act.

15 The marketplace facilitator shall determine on a quarterly  
16 basis, ending on the last day of March, June, September, and  
17 December, whether he or she meets the criteria of either  
18 paragraph (1) or (2) of this subsection for the preceding  
19 12-month period. If the marketplace facilitator meets the  
20 criteria of either paragraph (1) or (2) for a 12-month period,  
21 he or she is considered a retailer maintaining a place of  
22 business in this State and is required to remit the tax imposed  
23 under this Act and all retailers' occupation tax imposed by  
24 local taxing jurisdictions in Illinois, provided such local  
25 taxes are administered by the Department, and to file all  
26 applicable returns for one year. At the end of that one-year

1 period, the marketplace facilitator shall determine whether it  
2 met the criteria of either paragraph (1) or (2) for the  
3 preceding 12-month period. If the marketplace facilitator met  
4 the criteria in either paragraph (1) or (2) for the preceding  
5 12-month period, it is considered a retailer maintaining a  
6 place of business in this State and is required to collect and  
7 remit all applicable State and local retailers' occupation  
8 taxes and file returns for the subsequent year. If at the end  
9 of a one-year period a marketplace facilitator that was  
10 required to collect and remit the tax imposed under this Act  
11 determines that he or she did not meet the criteria in either  
12 paragraph (1) or (2) during the preceding 12-month period, the  
13 marketplace facilitator shall subsequently determine on a  
14 quarterly basis, ending on the last day of March, June,  
15 September, and December, whether he or she meets the criteria  
16 of either paragraph (1) or (2) for the preceding 12-month  
17 period.

18 A marketplace facilitator shall be entitled to any  
19 credits, deductions, or adjustments to the sales price  
20 otherwise provided to the marketplace seller, in addition to  
21 any such adjustments provided directly to the marketplace  
22 facilitator. This Section pertains to, but is not limited to,  
23 adjustments such as discounts, coupons, and rebates. In  
24 addition, a marketplace facilitator shall be entitled to the  
25 retailers' discount provided in Section 3 of the Retailers'  
26 Occupation Tax Act on all marketplace sales, and the

1 marketplace seller shall not include sales made through a  
2 marketplace facilitator when computing any retailers' discount  
3 on remaining sales. Marketplace facilitators shall report and  
4 remit the applicable State and local retailers' occupation  
5 taxes on sales facilitated for marketplace sellers separately  
6 from any sales or use tax collected on taxable retail sales  
7 made directly by the marketplace facilitator or its  
8 affiliates.

9       The marketplace facilitator is liable for the remittance  
10 of all applicable State retailers' occupation taxes under this  
11 Act and local retailers' occupation taxes administered by the  
12 Department on sales through the marketplace and is subject to  
13 audit on all such sales. The Department shall not audit  
14 marketplace sellers for their marketplace sales where a  
15 marketplace facilitator remitted the applicable State and  
16 local retailers' occupation taxes unless the marketplace  
17 facilitator seeks relief as a result of incorrect information  
18 provided to the marketplace facilitator by a marketplace  
19 seller as set forth in this Section. The marketplace  
20 facilitator shall not be held liable for tax on any sales made  
21 by a marketplace seller that take place outside of the  
22 marketplace and which are not a part of any agreement between a  
23 marketplace facilitator and a marketplace seller. In addition,  
24 marketplace facilitators shall not be held liable to State and  
25 local governments of Illinois for having charged and remitted  
26 an incorrect amount of State and local retailers' occupation



1 tax if, at the time of the sale, the tax is computed based on  
2 erroneous data provided by the State in database files on tax  
3 rates, boundaries, or taxing jurisdictions or incorrect  
4 information provided to the marketplace facilitator by the  
5 marketplace seller.

6 (d) A marketplace facilitator shall:

7 (1) certify to each marketplace seller that the  
8 marketplace facilitator assumes the rights and duties of a  
9 retailer under this Act with respect to sales made by the  
10 marketplace seller through the marketplace; and

11 (2) remit taxes imposed by this Act as required by  
12 this Act for sales made through the marketplace.

13 (e) A marketplace seller shall retain books and records  
14 for all sales made through a marketplace in accordance with  
15 the requirements of this Act.

16 (f) A marketplace facilitator is subject to audit on all  
17 marketplace sales for which it is considered to be the  
18 retailer, but shall not be liable for tax or subject to audit  
19 on sales made by marketplace sellers outside of the  
20 marketplace.

21 (g) A marketplace facilitator required to collect taxes  
22 imposed under the Use Tax Act on marketplace sales made to  
23 Illinois purchasers shall be liable to the Department for such  
24 taxes, except when the marketplace facilitator is relieved of  
25 the duty to remit such taxes by virtue of having paid to the  
26 Department taxes imposed by this Act in accordance with this

1 Section upon his or her gross receipts from such sales.

2 (h) Nothing in this Section shall allow the Department to  
3 collect retailers' occupation taxes from both the marketplace  
4 facilitator and marketplace seller on the same transaction.

5 (i) If, for any reason, the Department is prohibited from  
6 enforcing the marketplace facilitator's duty under this Act to  
7 remit taxes pursuant to this Section, the duty to remit such  
8 taxes remains with the marketplace seller.

9 (j) Nothing in this Section affects the obligation of any  
10 consumer to remit use tax for any taxable transaction for  
11 which a certified service provider acting on behalf of a  
12 remote retailer or a marketplace facilitator does not collect  
13 and remit the appropriate tax.

14 (k) Nothing in this Section shall allow the Department to  
15 collect the retailers' occupation tax from both the  
16 marketplace facilitator and the marketplace seller.

17 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20.)

18 (35 ILCS 120/2-5)

19 Sec. 2-5. Exemptions. Gross receipts from proceeds from  
20 the sale, which, on and after January 1, 2025, includes the  
21 lease, of the following tangible personal property are exempt  
22 from the tax imposed by this Act:

23 (1) Farm chemicals.

24 (2) Farm machinery and equipment, both new and used,  
25 including that manufactured on special order, certified by

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

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

1 mapping systems, and other such equipment.

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

9 Beginning on January 1, 2024, farm machinery and  
10 equipment also includes electrical power generation  
11 equipment used primarily for production agriculture.

12 This item (2) is exempt from the provisions of Section  
13 2-70.

14 (3) Until July 1, 2003, distillation machinery and  
15 equipment, sold as a unit or kit, assembled or installed  
16 by the retailer, certified by the user to be used only for  
17 the production of ethyl alcohol that will be used for  
18 consumption as motor fuel or as a component of motor fuel  
19 for the personal use of the user, and not subject to sale  
20 or resale.

21 (4) Until July 1, 2003 and beginning again September  
22 1, 2004 through August 30, 2014, graphic arts machinery  
23 and equipment, including repair and replacement parts,  
24 both new and used, and including that manufactured on  
25 special order or purchased for lease, certified by the  
26 purchaser to be used primarily for graphic arts

1 production. Equipment includes chemicals or chemicals  
2 acting as catalysts but only if the chemicals or chemicals  
3 acting as catalysts effect a direct and immediate change  
4 upon a graphic arts product. Beginning on July 1, 2017,  
5 graphic arts machinery and equipment is included in the  
6 manufacturing and assembling machinery and equipment  
7 exemption under paragraph (14).

8 (5) A motor vehicle that is used for automobile  
9 renting, as defined in the Automobile Renting Occupation  
10 and Use Tax Act. This paragraph is exempt from the  
11 provisions of Section 2-70.

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

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

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

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

1 activities, or services. These organizations include, but  
2 are not limited to, music and dramatic arts organizations  
3 such as symphony orchestras and theatrical groups, arts  
4 and cultural service organizations, local arts councils,  
5 visual arts organizations, and media arts organizations.  
6 On and after July 1, 2001 (the effective date of Public Act  
7 92-35), however, an entity otherwise eligible for this  
8 exemption shall not make tax-free purchases unless it has  
9 an active identification number issued by the Department.

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

17 (11) Except as otherwise provided in this Section,  
18 personal property sold to a governmental body, to a  
19 corporation, society, association, foundation, or  
20 institution organized and operated exclusively for  
21 charitable, religious, or educational purposes, or to a  
22 not-for-profit corporation, society, association,  
23 foundation, institution, or organization that has no  
24 compensated officers or employees and that is organized  
25 and operated primarily for the recreation of persons 55  
26 years of age or older. A limited liability company may

1           qualify for the exemption under this paragraph only if the  
2           limited liability company is organized and operated  
3           exclusively for educational purposes. On and after July 1,  
4           1987, however, no entity otherwise eligible for this  
5           exemption shall make tax-free purchases unless it has an  
6           active identification number issued by the Department.

7           (12) (Blank).

8           (12-5) On and after July 1, 2003 and through June 30,  
9           2004, motor vehicles of the second division with a gross  
10          vehicle weight in excess of 8,000 pounds that are subject  
11          to the commercial distribution fee imposed under Section  
12          3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
13          2004 and through June 30, 2005, the use in this State of  
14          motor vehicles of the second division: (i) with a gross  
15          vehicle weight rating in excess of 8,000 pounds; (ii) that  
16          are subject to the commercial distribution fee imposed  
17          under Section 3-815.1 of the Illinois Vehicle Code; and  
18          (iii) that are primarily used for commercial purposes.  
19          Through June 30, 2005, this exemption applies to repair  
20          and replacement parts added after the initial purchase of  
21          such a motor vehicle if that motor vehicle is used in a  
22          manner that would qualify for the rolling stock exemption  
23          otherwise provided for in this Act. For purposes of this  
24          paragraph, "used for commercial purposes" means the  
25          transportation of persons or property in furtherance of  
26          any commercial or industrial enterprise whether for-hire

1 or not.

2 (13) Proceeds from sales to owners or lessors,  
3 lessees, or shippers of tangible personal property that is  
4 utilized by interstate carriers for hire for use as  
5 rolling stock moving in interstate commerce and equipment  
6 operated by a telecommunications provider, licensed as a  
7 common carrier by the Federal Communications Commission,  
8 which is permanently installed in or affixed to aircraft  
9 moving in interstate commerce.

10 (14) Machinery and equipment that will be used by the  
11 purchaser, or a lessee of the purchaser, primarily in the  
12 process of manufacturing or assembling tangible personal  
13 property for wholesale or retail sale or lease, whether  
14 the sale or lease is made directly by the manufacturer or  
15 by some other person, whether the materials used in the  
16 process are owned by the manufacturer or some other  
17 person, or whether the sale or lease is made apart from or  
18 as an incident to the seller's engaging in the service  
19 occupation of producing machines, tools, dies, jigs,  
20 patterns, gauges, or other similar items of no commercial  
21 value on special order for a particular purchaser. The  
22 exemption provided by this paragraph (14) does not include  
23 machinery and equipment used in (i) the generation of  
24 electricity for wholesale or retail sale; (ii) the  
25 generation or treatment of natural or artificial gas for  
26 wholesale or retail sale that is delivered to customers



1 through pipes, pipelines, or mains; or (iii) the treatment  
2 of water for wholesale or retail sale that is delivered to  
3 customers through pipes, pipelines, or mains. The  
4 provisions of Public Act 98-583 are declaratory of  
5 existing law as to the meaning and scope of this  
6 exemption. Beginning on July 1, 2017, the exemption  
7 provided by this paragraph (14) includes, but is not  
8 limited to, graphic arts machinery and equipment, as  
9 defined in paragraph (4) of this Section.

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

18 (16) Tangible personal property sold to a purchaser if  
19 the purchaser is exempt from use tax by operation of  
20 federal law. This paragraph is exempt from the provisions  
21 of Section 2-70.

22 (17) Tangible personal property sold to a common  
23 carrier by rail or motor that receives the physical  
24 possession of the property in Illinois and that transports  
25 the property, or shares with another common carrier in the  
26 transportation of the property, out of Illinois on a

1 standard uniform bill of lading showing the seller of the  
2 property as the shipper or consignor of the property to a  
3 destination outside Illinois, for use outside Illinois.

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

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

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

24 (21) Until July 1, 2028, coal and aggregate  
25 exploration, mining, off-highway hauling, processing,  
26 maintenance, and reclamation equipment, including

1 replacement parts and equipment, and including equipment  
2 purchased for lease, but excluding motor vehicles required  
3 to be registered under the Illinois Vehicle Code. The  
4 changes made to this Section by Public Act 97-767 apply on  
5 and after July 1, 2003, but no claim for credit or refund  
6 is allowed on or after August 16, 2013 (the effective date  
7 of Public Act 98-456) for such taxes paid during the  
8 period beginning July 1, 2003 and ending on August 16,  
9 2013 (the effective date of Public Act 98-456).

10 (22) Until June 30, 2013, fuel and petroleum products  
11 sold to or used by an air carrier, certified by the carrier  
12 to be used for consumption, shipment, or storage in the  
13 conduct of its business as an air common carrier, for a  
14 flight destined for or returning from a location or  
15 locations outside the United States without regard to  
16 previous or subsequent domestic stopovers.

17 Beginning July 1, 2013, fuel and petroleum products  
18 sold to or used by an air carrier, certified by the carrier  
19 to be used for consumption, shipment, or storage in the  
20 conduct of its business as an air common carrier, for a  
21 flight that (i) is engaged in foreign trade or is engaged  
22 in trade between the United States and any of its  
23 possessions and (ii) transports at least one individual or  
24 package for hire from the city of origination to the city  
25 of final destination on the same aircraft, without regard  
26 to a change in the flight number of that aircraft.

1           (23) A transaction in which the purchase order is  
2           received by a florist who is located outside Illinois, but  
3           who has a florist located in Illinois deliver the property  
4           to the purchaser or the purchaser's donee in Illinois.

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

11          (25) Except as provided in item (25-5) of this  
12          Section, a motor vehicle sold in this State to a  
13          nonresident even though the motor vehicle is delivered to  
14          the nonresident in this State, if the motor vehicle is not  
15          to be titled in this State, and if a drive-away permit is  
16          issued to the motor vehicle as provided in Section 3-603  
17          of the Illinois Vehicle Code or if the nonresident  
18          purchaser has vehicle registration plates to transfer to  
19          the motor vehicle upon returning to his or her home state.  
20          The issuance of the drive-away permit or having the  
21          out-of-state registration plates to be transferred is  
22          prima facie evidence that the motor vehicle will not be  
23          titled in this State.

24          (25-5) The exemption under item (25) does not apply if  
25          the state in which the motor vehicle will be titled does  
26          not allow a reciprocal exemption for a motor vehicle sold

1 and delivered in that state to an Illinois resident but  
2 titled in Illinois. The tax collected under this Act on  
3 the sale of a motor vehicle in this State to a resident of  
4 another state that does not allow a reciprocal exemption  
5 shall be imposed at a rate equal to the state's rate of tax  
6 on taxable property in the state in which the purchaser is  
7 a resident, except that the tax shall not exceed the tax  
8 that would otherwise be imposed under this Act. At the  
9 time of the sale, the purchaser shall execute a statement,  
10 signed under penalty of perjury, of his or her intent to  
11 title the vehicle in the state in which the purchaser is a  
12 resident within 30 days after the sale and of the fact of  
13 the payment to the State of Illinois of tax in an amount  
14 equivalent to the state's rate of tax on taxable property  
15 in his or her state of residence and shall submit the  
16 statement to the appropriate tax collection agency in his  
17 or her state of residence. In addition, the retailer must  
18 retain a signed copy of the statement in his or her  
19 records. Nothing in this item shall be construed to  
20 require the removal of the vehicle from this state  
21 following the filing of an intent to title the vehicle in  
22 the purchaser's state of residence if the purchaser titles  
23 the vehicle in his or her state of residence within 30 days  
24 after the date of sale. The tax collected under this Act in  
25 accordance with this item (25-5) shall be proportionately  
26 distributed as if the tax were collected at the 6.25%

1 general rate imposed under this Act.

2 (25-7) Beginning on July 1, 2007, no tax is imposed  
3 under this Act on the sale of an aircraft, as defined in  
4 Section 3 of the Illinois Aeronautics Act, if all of the  
5 following conditions are met:

6 (1) the aircraft leaves this State within 15 days  
7 after the later of either the issuance of the final  
8 billing for the sale of the aircraft, or the  
9 authorized approval for return to service, completion  
10 of the maintenance record entry, and completion of the  
11 test flight and ground test for inspection, as  
12 required by 14 CFR 91.407;

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

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

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

1           "Based in this State" means hangared, stored, or  
2 otherwise used, excluding post-sale customizations as  
3 defined in this Section, for 10 or more days in each  
4 12-month period immediately following the date of the sale  
5 of the aircraft.

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

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

13           (26) Semen used for artificial insemination of  
14 livestock for direct agricultural production.

15           (27) Horses, or interests in horses, registered with  
16 and meeting the requirements of any of the Arabian Horse  
17 Club Registry of America, Appaloosa Horse Club, American  
18 Quarter Horse Association, United States Trotting  
19 Association, or Jockey Club, as appropriate, used for  
20 purposes of breeding or racing for prizes. This item (27)  
21 is exempt from the provisions of Section 2-70, and the  
22 exemption provided for under this item (27) applies for  
23 all periods beginning May 30, 1995, but no claim for  
24 credit or refund is allowed on or after January 1, 2008  
25 (the effective date of Public Act 95-88) for such taxes  
26 paid during the period beginning May 30, 2000 and ending

1 on January 1, 2008 (the effective date of Public Act  
2 95-88).

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

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

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



1 declared disaster area.

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

15 (32) Beginning July 1, 1999, game or game birds sold  
16 at a "game breeding and hunting preserve area" as that  
17 term is used in the Wildlife Code. This paragraph is  
18 exempt from the provisions of Section 2-70.

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

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

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

1 paragraph is exempt from the provisions of Section 2-70.

2 (35) Beginning January 1, 2000 and through December  
3 31, 2001, new or used automatic vending machines that  
4 prepare and serve hot food and beverages, including  
5 coffee, soup, and other items, and replacement parts for  
6 these machines. Beginning January 1, 2002 and through June  
7 30, 2003, machines and parts for machines used in  
8 commercial, coin-operated amusement and vending business  
9 if a use or occupation tax is paid on the gross receipts  
10 derived from the use of the commercial, coin-operated  
11 amusement and vending machines. This paragraph is exempt  
12 from the provisions of Section 2-70.

13 (35-5) Beginning August 23, 2001 and through June 30,  
14 2016, food for human consumption that is to be consumed  
15 off the premises where it is sold (other than alcoholic  
16 beverages, soft drinks, and food that has been prepared  
17 for immediate consumption) and prescription and  
18 nonprescription medicines, drugs, medical appliances, and  
19 insulin, urine testing materials, syringes, and needles  
20 used by diabetics, for human use, when purchased for use  
21 by a person receiving medical assistance under Article V  
22 of the Illinois Public Aid Code who resides in a licensed  
23 long-term care facility, as defined in the Nursing Home  
24 Care Act, or a licensed facility as defined in the ID/DD  
25 Community Care Act, the MC/DD Act, or the Specialized  
26 Mental Health Rehabilitation Act of 2013.

1           (36) Beginning August 2, 2001, computers and  
2           communications equipment utilized for any hospital purpose  
3           and equipment used in the diagnosis, analysis, or  
4           treatment of hospital patients sold to a lessor who leases  
5           the equipment, under a lease of one year or longer  
6           executed or in effect at the time of the purchase, to a  
7           hospital that has been issued an active tax exemption  
8           identification number by the Department under Section 1g  
9           of this Act. This paragraph is exempt from the provisions  
10          of Section 2-70.

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

18          (38) Beginning on January 1, 2002 and through June 30,  
19          2016, tangible personal property purchased from an  
20          Illinois retailer by a taxpayer engaged in centralized  
21          purchasing activities in Illinois who will, upon receipt  
22          of the property in Illinois, temporarily store the  
23          property in Illinois (i) for the purpose of subsequently  
24          transporting it outside this State for use or consumption  
25          thereafter solely outside this State or (ii) for the  
26          purpose of being processed, fabricated, or manufactured

1 into, attached to, or incorporated into other tangible  
2 personal property to be transported outside this State and  
3 thereafter used or consumed solely outside this State. The  
4 Director of Revenue shall, pursuant to rules adopted in  
5 accordance with the Illinois Administrative Procedure Act,  
6 issue a permit to any taxpayer in good standing with the  
7 Department who is eligible for the exemption under this  
8 paragraph (38). The permit issued under this paragraph  
9 (38) shall authorize the holder, to the extent and in the  
10 manner specified in the rules adopted under this Act, to  
11 purchase tangible personal property from a retailer exempt  
12 from the taxes imposed by this Act. Taxpayers shall  
13 maintain all necessary books and records to substantiate  
14 the use and consumption of all such tangible personal  
15 property outside of the State of Illinois.

16 (39) Beginning January 1, 2008, tangible personal  
17 property used in the construction or maintenance of a  
18 community water supply, as defined under Section 3.145 of  
19 the Environmental Protection Act, that is operated by a  
20 not-for-profit corporation that holds a valid water supply  
21 permit issued under Title IV of the Environmental  
22 Protection Act. This paragraph is exempt from the  
23 provisions of Section 2-70.

24 (40) Beginning January 1, 2010 and continuing through  
25 December 31, 2029, materials, parts, equipment,  
26 components, and furnishings incorporated into or upon an

1 aircraft as part of the modification, refurbishment,  
2 completion, replacement, repair, or maintenance of the  
3 aircraft. This exemption includes consumable supplies used  
4 in the modification, refurbishment, completion,  
5 replacement, repair, and maintenance of aircraft. However,  
6 until January 1, 2024, this exemption excludes any  
7 materials, parts, equipment, components, and consumable  
8 supplies used in the modification, replacement, repair,  
9 and maintenance of aircraft engines or power plants,  
10 whether such engines or power plants are installed or  
11 uninstalled upon any such aircraft. "Consumable supplies"  
12 include, but are not limited to, adhesive, tape,  
13 sandpaper, general purpose lubricants, cleaning solution,  
14 latex gloves, and protective films.

15 Beginning January 1, 2010 and continuing through  
16 December 31, 2023, this exemption applies only to the sale  
17 of qualifying tangible personal property to persons who  
18 modify, refurbish, complete, replace, or maintain an  
19 aircraft and who (i) hold an Air Agency Certificate and  
20 are empowered to operate an approved repair station by the  
21 Federal Aviation Administration, (ii) have a Class IV  
22 Rating, and (iii) conduct operations in accordance with  
23 Part 145 of the Federal Aviation Regulations. The  
24 exemption does not include aircraft operated by a  
25 commercial air carrier providing scheduled passenger air  
26 service pursuant to authority issued under Part 121 or

1 Part 129 of the Federal Aviation Regulations. From January  
2 1, 2024 through December 31, 2029, this exemption applies  
3 only to the use of qualifying tangible personal property  
4 by: (A) persons who modify, refurbish, complete, repair,  
5 replace, or maintain aircraft and who (i) hold an Air  
6 Agency Certificate and are empowered to operate an  
7 approved repair station by the Federal Aviation  
8 Administration, (ii) have a Class IV Rating, and (iii)  
9 conduct operations in accordance with Part 145 of the  
10 Federal Aviation Regulations; and (B) persons who engage  
11 in the modification, replacement, repair, and maintenance  
12 of aircraft engines or power plants without regard to  
13 whether or not those persons meet the qualifications of  
14 item (A).

15 The changes made to this paragraph (40) by Public Act  
16 98-534 are declarative of existing law. It is the intent  
17 of the General Assembly that the exemption under this  
18 paragraph (40) applies continuously from January 1, 2010  
19 through December 31, 2024; however, no claim for credit or  
20 refund is allowed for taxes paid as a result of the  
21 disallowance of this exemption on or after January 1, 2015  
22 and prior to February 5, 2020 (the effective date of  
23 Public Act 101-629).

24 (41) Tangible personal property sold to a  
25 public-facilities corporation, as described in Section  
26 11-65-10 of the Illinois Municipal Code, for purposes of

1 constructing or furnishing a municipal convention hall,  
2 but only if the legal title to the municipal convention  
3 hall is transferred to the municipality without any  
4 further consideration by or on behalf of the municipality  
5 at the time of the completion of the municipal convention  
6 hall or upon the retirement or redemption of any bonds or  
7 other debt instruments issued by the public-facilities  
8 corporation in connection with the development of the  
9 municipal convention hall. This exemption includes  
10 existing public-facilities corporations as provided in  
11 Section 11-65-25 of the Illinois Municipal Code. This  
12 paragraph is exempt from the provisions of Section 2-70.

13 (42) Beginning January 1, 2017 and through December  
14 31, 2026, menstrual pads, tampons, and menstrual cups.

15 (43) Merchandise that is subject to the Rental  
16 Purchase Agreement Occupation and Use Tax. The purchaser  
17 must certify that the item is purchased to be rented  
18 subject to a rental-purchase ~~rental-purchase~~ agreement, as  
19 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement  
20 Act, and provide proof of registration under the Rental  
21 Purchase Agreement Occupation and Use Tax Act. This  
22 paragraph is exempt from the provisions of Section 2-70.

23 (44) Qualified tangible personal property used in the  
24 construction or operation of a data center that has been  
25 granted a certificate of exemption by the Department of  
26 Commerce and Economic Opportunity, whether that tangible



1 personal property is purchased by the owner, operator, or  
2 tenant of the data center or by a contractor or  
3 subcontractor of the owner, operator, or tenant. Data  
4 centers that would have qualified for a certificate of  
5 exemption prior to January 1, 2020 had Public Act 101-31  
6 been in effect, may apply for and obtain an exemption for  
7 subsequent purchases of computer equipment or enabling  
8 software purchased or leased to upgrade, supplement, or  
9 replace computer equipment or enabling software purchased  
10 or leased in the original investment that would have  
11 qualified.

12 The Department of Commerce and Economic Opportunity  
13 shall grant a certificate of exemption under this item  
14 (44) to qualified data centers as defined by Section  
15 605-1025 of the Department of Commerce and Economic  
16 Opportunity Law of the Civil Administrative Code of  
17 Illinois.

18 For the purposes of this item (44):

19 "Data center" means a building or a series of  
20 buildings rehabilitated or constructed to house  
21 working servers in one physical location or multiple  
22 sites within the State of Illinois.

23 "Qualified tangible personal property" means:  
24 electrical systems and equipment; climate control and  
25 chilling equipment and systems; mechanical systems and  
26 equipment; monitoring and secure systems; emergency

1 generators; hardware; computers; servers; data storage  
2 devices; network connectivity equipment; racks;  
3 cabinets; telecommunications cabling infrastructure;  
4 raised floor systems; peripheral components or  
5 systems; software; mechanical, electrical, or plumbing  
6 systems; battery systems; cooling systems and towers;  
7 temperature control systems; other cabling; and other  
8 data center infrastructure equipment and systems  
9 necessary to operate qualified tangible personal  
10 property, including fixtures; and component parts of  
11 any of the foregoing, including installation,  
12 maintenance, repair, refurbishment, and replacement of  
13 qualified tangible personal property to generate,  
14 transform, transmit, distribute, or manage electricity  
15 necessary to operate qualified tangible personal  
16 property; and all other tangible personal property  
17 that is essential to the operations of a computer data  
18 center. The term "qualified tangible personal  
19 property" also includes building materials physically  
20 incorporated into the qualifying data center. To  
21 document the exemption allowed under this Section, the  
22 retailer must obtain from the purchaser a copy of the  
23 certificate of eligibility issued by the Department of  
24 Commerce and Economic Opportunity.

25 This item (44) is exempt from the provisions of  
26 Section 2-70.

1           (45) Beginning January 1, 2020 and through December  
2           31, 2020, sales of tangible personal property made by a  
3           marketplace seller over a marketplace for which tax is due  
4           under this Act but for which use tax has been collected and  
5           remitted to the Department by a marketplace facilitator  
6           under Section 2d of the Use Tax Act are exempt from tax  
7           under this Act. A marketplace seller claiming this  
8           exemption shall maintain books and records demonstrating  
9           that the use tax on such sales has been collected and  
10          remitted by a marketplace facilitator. Marketplace sellers  
11          that have properly remitted tax under this Act on such  
12          sales may file a claim for credit as provided in Section 6  
13          of this Act. No claim is allowed, however, for such taxes  
14          for which a credit or refund has been issued to the  
15          marketplace facilitator under the Use Tax Act, or for  
16          which the marketplace facilitator has filed a claim for  
17          credit or refund under the Use Tax Act.

18          (46) Beginning July 1, 2022, breast pumps, breast pump  
19          collection and storage supplies, and breast pump kits.  
20          This item (46) is exempt from the provisions of Section  
21          2-70. As used in this item (46):

22                 "Breast pump" means an electrically controlled or  
23                 manually controlled pump device designed or marketed to be  
24                 used to express milk from a human breast during lactation,  
25                 including the pump device and any battery, AC adapter, or  
26                 other power supply unit that is used to power the pump

1 device and is packaged and sold with the pump device at the  
2 time of sale.

3 "Breast pump collection and storage supplies" means  
4 items of tangible personal property designed or marketed  
5 to be used in conjunction with a breast pump to collect  
6 milk expressed from a human breast and to store collected  
7 milk until it is ready for consumption.

8 "Breast pump collection and storage supplies"  
9 includes, but is not limited to: breast shields and breast  
10 shield connectors; breast pump tubes and tubing adapters;  
11 breast pump valves and membranes; backflow protectors and  
12 backflow protector adaptors; bottles and bottle caps  
13 specific to the operation of the breast pump; and breast  
14 milk storage bags.

15 "Breast pump collection and storage supplies" does not  
16 include: (1) bottles and bottle caps not specific to the  
17 operation of the breast pump; (2) breast pump travel bags  
18 and other similar carrying accessories, including ice  
19 packs, labels, and other similar products; (3) breast pump  
20 cleaning supplies; (4) nursing bras, bra pads, breast  
21 shells, and other similar products; and (5) creams,  
22 ointments, and other similar products that relieve  
23 breastfeeding-related symptoms or conditions of the  
24 breasts or nipples, unless sold as part of a breast pump  
25 kit that is pre-packaged by the breast pump manufacturer  
26 or distributor.

1 "Breast pump kit" means a kit that: (1) contains no  
2 more than a breast pump, breast pump collection and  
3 storage supplies, a rechargeable battery for operating the  
4 breast pump, a breastmilk cooler, bottle stands, ice  
5 packs, and a breast pump carrying case; and (2) is  
6 pre-packaged as a breast pump kit by the breast pump  
7 manufacturer or distributor.

8 (47) Tangible personal property sold by or on behalf  
9 of the State Treasurer pursuant to the Revised Uniform  
10 Unclaimed Property Act. This item (47) is exempt from the  
11 provisions of Section 2-70.

12 (48) Beginning on January 1, 2024, tangible personal  
13 property purchased by an active duty member of the armed  
14 forces of the United States who presents valid military  
15 identification and purchases the property using a form of  
16 payment where the federal government is the payor. The  
17 member of the armed forces must complete, at the point of  
18 sale, a form prescribed by the Department of Revenue  
19 documenting that the transaction is eligible for the  
20 exemption under this paragraph. Retailers must keep the  
21 form as documentation of the exemption in their records  
22 for a period of not less than 6 years. "Armed forces of the  
23 United States" means the United States Army, Navy, Air  
24 Force, Marine Corps, or Coast Guard. This paragraph is  
25 exempt from the provisions of Section 2-70.

26 (49) Gross receipts from the lease of the following

1 tangible personal property:

2 (1) computer software transferred subject to a  
3 license that meets the following requirements:

4 (A) it is evidenced by a written agreement  
5 signed by the licensor and the customer;

6 (i) an electronic agreement in which the  
7 customer accepts the license by means of an  
8 electronic signature that is verifiable and  
9 can be authenticated and is attached to or  
10 made part of the license will comply with this  
11 requirement;

12 (ii) a license agreement in which the  
13 customer electronically accepts the terms by  
14 clicking "I agree" does not comply with this  
15 requirement;

16 (B) it restricts the customer's duplication  
17 and use of the software;

18 (C) it prohibits the customer from licensing,  
19 sublicensing, or transferring the software to a  
20 third party (except to a related party) without  
21 the permission and continued control of the  
22 licensor;

23 (D) the licensor has a policy of providing  
24 another copy at minimal or no charge if the  
25 customer loses or damages the software, or of  
26 permitting the licensee to make and keep an

1 archival copy, and such policy is either stated in  
2 the license agreement, supported by the licensor's  
3 books and records, or supported by a notarized  
4 statement made under penalties of perjury by the  
5 licensor; and

6 (E) the customer must destroy or return all  
7 copies of the software to the licensor at the end  
8 of the license period; this provision is deemed to  
9 be met, in the case of a perpetual license,  
10 without being set forth in the license agreement;  
11 and

12 (2) property that is subject to a tax on lease  
13 receipts imposed by a home rule unit of local  
14 government if the ordinance imposing that tax was  
15 adopted prior to January 1, 2023.

16 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;  
17 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,  
18 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.  
19 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section  
20 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.  
21 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised  
22 12-12-23.)

23 (35 ILCS 120/2-10)

24 Sec. 2-10. Rate of tax. Unless otherwise provided in this  
25 Section, the tax imposed by this Act is at the rate of 6.25% of

1 gross receipts from sales, which, on and after January 1,  
2 2025, includes leases, of tangible personal property made in  
3 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 of  
7 the Use Tax Act, the tax is imposed at the rate of 1.25%.

8 Beginning on August 6, 2010 through August 15, 2010, and  
9 beginning again on August 5, 2022 through August 14, 2022,  
10 with respect to sales tax holiday items as defined in Section  
11 2-8 of this Act, the tax is imposed at the rate of 1.25%.

12 Within 14 days after July 1, 2000 (the effective date of  
13 Public Act 91-872), each retailer of motor fuel and gasohol  
14 shall cause the following notice to be posted in a prominently  
15 visible place on each retail dispensing device that is used to  
16 dispense motor fuel or gasohol in the State of Illinois: "As of  
17 July 1, 2000, the State of Illinois has eliminated the State's  
18 share of sales tax on motor fuel and gasohol through December  
19 31, 2000. The price on this pump should reflect the  
20 elimination of the tax." The notice shall be printed in bold  
21 print on a sign that is no smaller than 4 inches by 8 inches.  
22 The sign shall be clearly visible to customers. Any retailer  
23 who fails to post or maintain a required sign through December  
24 31, 2000 is guilty of a petty offense for which the fine shall  
25 be \$500 per day per each retail premises where a violation  
26 occurs.



1           With respect to gasohol, as defined in the Use Tax Act, the  
2 tax imposed by this Act applies to (i) 70% of the proceeds of  
3 sales made on or after January 1, 1990, and before July 1,  
4 2003, (ii) 80% of the proceeds of sales made on or after July  
5 1, 2003 and on or before July 1, 2017, (iii) 100% of the  
6 proceeds of sales made after July 1, 2017 and prior to January  
7 1, 2024, (iv) 90% of the proceeds of sales made on or after  
8 January 1, 2024 and on or before December 31, 2028, and (v)  
9 100% of the proceeds of sales made after December 31, 2028. If,  
10 at any time, however, the tax under this Act on sales of  
11 gasohol, as defined in the Use Tax Act, is imposed at the rate  
12 of 1.25%, then the tax imposed by this Act applies to 100% of  
13 the proceeds of sales of gasohol made during that time.

14           With respect to mid-range ethanol blends, as defined in  
15 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
16 applies to (i) 80% of the proceeds of sales made on or after  
17 January 1, 2024 and on or before December 31, 2028 and (ii)  
18 100% of the proceeds of sales made after December 31, 2028. If,  
19 at any time, however, the tax under this Act on sales of  
20 mid-range ethanol blends is imposed at the rate of 1.25%, then  
21 the tax imposed by this Act applies to 100% of the proceeds of  
22 sales of mid-range ethanol blends made during that time.

23           With respect to majority blended ethanol fuel, as defined  
24 in the Use Tax Act, the tax imposed by this Act does not apply  
25 to the proceeds of sales made on or after July 1, 2003 and on  
26 or before December 31, 2028 but applies to 100% of the proceeds

1 of sales made thereafter.

2 With respect to biodiesel blends, as defined in the Use  
3 Tax Act, with no less than 1% and no more than 10% biodiesel,  
4 the tax imposed by this Act applies to (i) 80% of the proceeds  
5 of sales made on or after July 1, 2003 and on or before  
6 December 31, 2018 and (ii) 100% of the proceeds of sales made  
7 after December 31, 2018 and before January 1, 2024. On and  
8 after January 1, 2024 and on or before December 31, 2030, the  
9 taxation of biodiesel, renewable diesel, and biodiesel blends  
10 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
11 at any time, however, the tax under this Act on sales of  
12 biodiesel blends, as defined in the Use Tax Act, with no less  
13 than 1% and no more than 10% biodiesel is imposed at the rate  
14 of 1.25%, then the tax imposed by this Act applies to 100% of  
15 the proceeds of sales of biodiesel blends with no less than 1%  
16 and no more than 10% biodiesel made during that time.

17 With respect to biodiesel, as defined in the Use Tax Act,  
18 and biodiesel blends, as defined in the Use Tax Act, with more  
19 than 10% but no more than 99% biodiesel, the tax imposed by  
20 this Act does not apply to the proceeds of sales made on or  
21 after July 1, 2003 and on or before December 31, 2023. On and  
22 after January 1, 2024 and on or before December 31, 2030, the  
23 taxation of biodiesel, renewable diesel, and biodiesel blends  
24 shall be as provided in Section 3-5.1 of the Use Tax Act.

25 Until July 1, 2022 and beginning again on July 1, 2023,  
26 with respect to food for human consumption that is to be

1 consumed off the premises where it is sold (other than  
2 alcoholic beverages, food consisting of or infused with adult  
3 use cannabis, soft drinks, and food that has been prepared for  
4 immediate consumption), the tax is imposed at the rate of 1%.  
5 Beginning July 1, 2022 and until July 1, 2023, with respect to  
6 food for human consumption that is to be consumed off the  
7 premises where it is sold (other than alcoholic beverages,  
8 food consisting of or infused with adult use cannabis, soft  
9 drinks, and food that has been prepared for immediate  
10 consumption), the tax is imposed at the rate of 0%.

11 With respect to prescription and nonprescription  
12 medicines, drugs, medical appliances, products classified as  
13 Class III medical devices by the United States Food and Drug  
14 Administration that are used for cancer treatment pursuant to  
15 a prescription, as well as any accessories and components  
16 related to those devices, modifications to a motor vehicle for  
17 the purpose of rendering it usable by a person with a  
18 disability, and insulin, blood sugar testing materials,  
19 syringes, and needles used by human diabetics, the tax is  
20 imposed at the rate of 1%. For the purposes of this Section,  
21 until September 1, 2009: the term "soft drinks" means any  
22 complete, finished, ready-to-use, non-alcoholic drink, whether  
23 carbonated or not, including, but not limited to, soda water,  
24 cola, fruit juice, vegetable juice, carbonated water, and all  
25 other preparations commonly known as soft drinks of whatever  
26 kind or description that are contained in any closed or sealed

1 bottle, can, carton, or container, regardless of size; but  
2 "soft drinks" does not include coffee, tea, non-carbonated  
3 water, infant formula, milk or milk products as defined in the  
4 Grade A Pasteurized Milk and Milk Products Act, or drinks  
5 containing 50% or more natural fruit or vegetable juice.

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

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

24 Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "food for human consumption that  
26 is to be consumed off the premises where it is sold" does not

1 include candy. For purposes of this Section, "candy" means a  
2 preparation of sugar, honey, or other natural or artificial  
3 sweeteners in combination with chocolate, fruits, nuts or  
4 other ingredients or flavorings in the form of bars, drops, or  
5 pieces. "Candy" does not include any preparation that contains  
6 flour or requires refrigeration.

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

20 (A) a "Drug Facts" panel; or

21 (B) a statement of the "active ingredient(s)" with a  
22 list of those ingredients contained in the compound,  
23 substance or preparation.

24 Beginning on January 1, 2014 (the effective date of Public  
25 Act 98-122), "prescription and nonprescription medicines and  
26 drugs" includes medical cannabis purchased from a registered

1 dispensing organization under the Compassionate Use of Medical  
2 Cannabis Program Act.

3 As used in this Section, "adult use cannabis" means  
4 cannabis subject to tax under the Cannabis Cultivation  
5 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
6 and does not include cannabis subject to tax under the  
7 Compassionate Use of Medical Cannabis Program Act.

8 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
9 Section 20-20, eff. 4-19-22; 102-700, Article 60, Section  
10 60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.  
11 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23.)

12 (35 ILCS 120/2-12)

13 Sec. 2-12. Location where retailer is deemed to be engaged  
14 in the business of selling. The purpose of this Section is to  
15 specify where a retailer is deemed to be engaged in the  
16 business of selling tangible personal property for the  
17 purposes of this Act, the Use Tax Act, the Service Use Tax Act,  
18 and the Service Occupation Tax Act, and for the purpose of  
19 collecting any other local retailers' occupation tax  
20 administered by the Department. This Section applies only with  
21 respect to the particular selling activities described in the  
22 following paragraphs. The provisions of this Section are not  
23 intended to, and shall not be interpreted to, affect where a  
24 retailer is deemed to be engaged in the business of selling  
25 with respect to any activity that is not specifically

1 described in the following paragraphs.

2 (1) If a purchaser who is present at the retailer's  
3 place of business, having no prior commitment to the  
4 retailer, agrees to purchase and makes payment for  
5 tangible personal property at the retailer's place of  
6 business, then the transaction shall be deemed an  
7 over-the-counter sale occurring at the retailer's same  
8 place of business where the purchaser was present and made  
9 payment for that tangible personal property if the  
10 retailer regularly stocks the purchased tangible personal  
11 property or similar tangible personal property in the  
12 quantity, or similar quantity, for sale at the retailer's  
13 same place of business and then either (i) the purchaser  
14 takes possession of the tangible personal property at the  
15 same place of business or (ii) the retailer delivers or  
16 arranges for the tangible personal property to be  
17 delivered to the purchaser.

18 (2) If a purchaser, having no prior commitment to the  
19 retailer, agrees to purchase tangible personal property  
20 and makes payment over the phone, in writing, or via the  
21 Internet and takes possession of the tangible personal  
22 property at the retailer's place of business, then the  
23 sale shall be deemed to have occurred at the retailer's  
24 place of business where the purchaser takes possession of  
25 the property if the retailer regularly stocks the item or  
26 similar items in the quantity, or similar quantities,

1 purchased by the purchaser.

2 (3) A retailer is deemed to be engaged in the business  
3 of selling food, beverages, or other tangible personal  
4 property through a vending machine at the location where  
5 the vending machine is located at the time the sale is made  
6 if (i) the vending machine is a device operated by coin,  
7 currency, credit card, token, coupon or similar device;  
8 (2) the food, beverage or other tangible personal property  
9 is contained within the vending machine and dispensed from  
10 the vending machine; and (3) the purchaser takes  
11 possession of the purchased food, beverage or other  
12 tangible personal property immediately.

13 (4) Minerals. A producer of coal or other mineral  
14 mined in Illinois is deemed to be engaged in the business  
15 of selling at the place where the coal or other mineral  
16 mined in Illinois is extracted from the earth. With  
17 respect to minerals (i) the term "extracted from the  
18 earth" means the location at which the coal or other  
19 mineral is extracted from the mouth of the mine, and (ii) a  
20 "mineral" includes not only coal, but also oil, sand,  
21 stone taken from a quarry, gravel and any other thing  
22 commonly regarded as a mineral and extracted from the  
23 earth. This paragraph does not apply to coal or another  
24 mineral when it is delivered or shipped by the seller to  
25 the purchaser at a point outside Illinois so that the sale  
26 is exempt under the United States Constitution as a sale



1 in interstate or foreign commerce.

2 (5) A retailer selling tangible personal property to a  
3 nominal lessee or bailee pursuant to a lease with a dollar  
4 or other nominal option to purchase is engaged in the  
5 business of selling at the location where the property is  
6 first delivered to the lessee or bailee for its intended  
7 use.

8 (5.5) Lease transactions. The lease of tangible  
9 personal property that is subject to the tax on leases  
10 under this amendatory Act of the 103rd General Assembly is  
11 sourced as follows:

12 (i) For a lease that requires recurring periodic  
13 payments and for which the property is delivered to  
14 the lessee by the lessor, each periodic payment is  
15 sourced to the primary property location for each  
16 period covered by the payment. The primary property  
17 location shall be as indicated by an address for the  
18 property provided by the lessee that is available to  
19 the lessor from its records maintained in the ordinary  
20 course of business, when use of this address does not  
21 constitute bad faith. The property location is not  
22 altered by intermittent use at different locations,  
23 such as use of business property that accompanies  
24 employees on business trips and service calls.

25 (ii) For all other leases, including a lease that  
26 does not require recurring periodic payments and any

1           lease for which the lessee takes possession of the  
2           property at the lessor's place of business, the  
3           payment is sourced as otherwise provided under this  
4           Act for sales at retail other than leases.

5           (6) Beginning on January 1, 2021, a remote retailer  
6           making retail sales of tangible personal property that  
7           meet or exceed the thresholds established in paragraph (1)  
8           or (2) of subsection (b) of Section 2 of this Act is  
9           engaged in the business of selling at the Illinois  
10          location to which the tangible personal property is  
11          shipped or delivered or at which possession is taken by  
12          the purchaser.

13          (7) Beginning January 1, 2021, a marketplace  
14          facilitator facilitating sales of tangible personal  
15          property that meet or exceed one of the thresholds  
16          established in paragraph (1) or (2) of subsection (c) of  
17          Section 2 of this Act is deemed to be engaged in the  
18          business of selling at the Illinois location to which the  
19          tangible personal property is shipped or delivered or at  
20          which possession is taken by the purchaser when the sale  
21          is made by a marketplace seller on the marketplace  
22          facilitator's marketplace.

23          (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20.)

24                 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

25                 Sec. 2a. Registration of retailers. It is unlawful for any

1 person to engage in the business of selling, which, on and  
2 after January 1, 2025, includes leasing, tangible personal  
3 property at retail in this State without a certificate of  
4 registration from the Department. Application for a  
5 certificate of registration shall be made to the Department  
6 upon forms furnished by it. Each such application shall be  
7 signed and verified and shall state: (1) the name and social  
8 security number of the applicant; (2) the address of his  
9 principal place of business; (3) the address of the principal  
10 place of business from which he engages in the business of  
11 selling tangible personal property at retail in this State and  
12 the addresses of all other places of business, if any  
13 (enumerating such addresses, if any, in a separate list  
14 attached to and made a part of the application), from which he  
15 engages in the business of selling tangible personal property  
16 at retail in this State; (4) the name and address of the person  
17 or persons who will be responsible for filing returns and  
18 payment of taxes due under this Act; (5) in the case of a  
19 publicly traded corporation, the name and title of the Chief  
20 Financial Officer, Chief Operating Officer, and any other  
21 officer or employee with responsibility for preparing tax  
22 returns under this Act, and, in the case of all other  
23 corporations, the name, title, and social security number of  
24 each corporate officer; (6) in the case of a limited liability  
25 company, the name, social security number, and FEIN number of  
26 each manager and member; and (7) such other information as the

1 Department may reasonably require. The application shall  
2 contain an acceptance of responsibility signed by the person  
3 or persons who will be responsible for filing returns and  
4 payment of the taxes due under this Act. If the applicant will  
5 sell tangible personal property at retail through vending  
6 machines, his application to register shall indicate the  
7 number of vending machines to be so operated. If requested by  
8 the Department at any time, that person shall verify the total  
9 number of vending machines he or she uses in his or her  
10 business of selling tangible personal property at retail.

11 The Department shall provide by rule for an expedited  
12 business registration process for remote retailers required to  
13 register and file under subsection (b) of Section 2 who use a  
14 certified service provider to file their returns under this  
15 Act. Such expedited registration process shall allow the  
16 Department to register a taxpayer based upon the same  
17 registration information required by the Streamlined Sales Tax  
18 Governing Board for states participating in the Streamlined  
19 Sales Tax Project.

20 The Department may deny a certificate of registration to  
21 any applicant if a person who is named as the owner, a partner,  
22 a manager or member of a limited liability company, or a  
23 corporate officer of the applicant on the application for the  
24 certificate of registration is or has been named as the owner,  
25 a partner, a manager or member of a limited liability company,  
26 or a corporate officer on the application for the certificate

1 of registration of another retailer that (i) is in default for  
2 moneys due under this Act or any other tax or fee Act  
3 administered by the Department or (ii) fails to file any  
4 return, on or before the due date prescribed for filing that  
5 return (including any extensions of time granted by the  
6 Department), that the retailer is required to file under this  
7 Act or any other tax or fee Act administered by the Department.  
8 For purposes of this paragraph only, in determining whether a  
9 person is in default for moneys due, the Department shall  
10 include only amounts established as a final liability within  
11 the 23 years prior to the date of the Department's notice of  
12 denial of a certificate of registration.

13 The Department may require an applicant for a certificate  
14 of registration hereunder to, at the time of filing such  
15 application, furnish a bond from a surety company authorized  
16 to do business in the State of Illinois, or an irrevocable bank  
17 letter of credit or a bond signed by 2 personal sureties who  
18 have filed, with the Department, sworn statements disclosing  
19 net assets equal to at least 3 times the amount of the bond to  
20 be required of such applicant, or a bond secured by an  
21 assignment of a bank account or certificate of deposit, stocks  
22 or bonds, conditioned upon the applicant paying to the State  
23 of Illinois all moneys becoming due under this Act and under  
24 any other State tax law or municipal or county tax ordinance or  
25 resolution under which the certificate of registration that is  
26 issued to the applicant under this Act will permit the

1 applicant to engage in business without registering separately  
2 under such other law, ordinance or resolution. In making a  
3 determination as to whether to require a bond or other  
4 security, the Department shall take into consideration whether  
5 the owner, any partner, any manager or member of a limited  
6 liability company, or a corporate officer of the applicant is  
7 or has been the owner, a partner, a manager or member of a  
8 limited liability company, or a corporate officer of another  
9 retailer that is in default for moneys due under this Act or  
10 any other tax or fee Act administered by the Department; and  
11 whether the owner, any partner, any manager or member of a  
12 limited liability company, or a corporate officer of the  
13 applicant is or has been the owner, a partner, a manager or  
14 member of a limited liability company, or a corporate officer  
15 of another retailer whose certificate of registration has been  
16 revoked within the previous 5 years under this Act or any other  
17 tax or fee Act administered by the Department. If a bond or  
18 other security is required, the Department shall fix the  
19 amount of the bond or other security, taking into  
20 consideration the amount of money expected to become due from  
21 the applicant under this Act and under any other State tax law  
22 or municipal or county tax ordinance or resolution under which  
23 the certificate of registration that is issued to the  
24 applicant under this Act will permit the applicant to engage  
25 in business without registering separately under such other  
26 law, ordinance, or resolution. The amount of security required

1 by the Department shall be such as, in its opinion, will  
2 protect the State of Illinois against failure to pay the  
3 amount which may become due from the applicant under this Act  
4 and under any other State tax law or municipal or county tax  
5 ordinance or resolution under which the certificate of  
6 registration that is issued to the applicant under this Act  
7 will permit the applicant to engage in business without  
8 registering separately under such other law, ordinance or  
9 resolution, but the amount of the security required by the  
10 Department shall not exceed three times the amount of the  
11 applicant's average monthly tax liability, or \$50,000.00,  
12 whichever amount is lower.

13 No certificate of registration under this Act shall be  
14 issued by the Department until the applicant provides the  
15 Department with satisfactory security, if required, as herein  
16 provided for.

17 Upon receipt of the application for certificate of  
18 registration in proper form, and upon approval by the  
19 Department of the security furnished by the applicant, if  
20 required, the Department shall issue to such applicant a  
21 certificate of registration which shall permit the person to  
22 whom it is issued to engage in the business of selling tangible  
23 personal property at retail in this State. The certificate of  
24 registration shall be conspicuously displayed at the place of  
25 business which the person so registered states in his  
26 application to be the principal place of business from which

1 he engages in the business of selling tangible personal  
2 property at retail in this State.

3 No certificate of registration issued prior to July 1,  
4 2017 to a taxpayer who files returns required by this Act on a  
5 monthly basis or renewed prior to July 1, 2017 by a taxpayer  
6 who files returns required by this Act on a monthly basis shall  
7 be valid after the expiration of 5 years from the date of its  
8 issuance or last renewal. No certificate of registration  
9 issued on or after July 1, 2017 to a taxpayer who files returns  
10 required by this Act on a monthly basis or renewed on or after  
11 July 1, 2017 by a taxpayer who files returns required by this  
12 Act on a monthly basis shall be valid after the expiration of  
13 one year from the date of its issuance or last renewal. The  
14 expiration date of a sub-certificate of registration shall be  
15 that of the certificate of registration to which the  
16 sub-certificate relates. Prior to July 1, 2017, a certificate  
17 of registration shall automatically be renewed, subject to  
18 revocation as provided by this Act, for an additional 5 years  
19 from the date of its expiration unless otherwise notified by  
20 the Department as provided by this paragraph. On and after  
21 July 1, 2017, a certificate of registration shall  
22 automatically be renewed, subject to revocation as provided by  
23 this Act, for an additional one year from the date of its  
24 expiration unless otherwise notified by the Department as  
25 provided by this paragraph.

26 Where a taxpayer to whom a certificate of registration is



1 issued under this Act is in default to the State of Illinois  
2 for delinquent returns or for moneys due under this Act or any  
3 other State tax law or municipal or county ordinance  
4 administered or enforced by the Department, the Department  
5 shall, not less than 60 days before the expiration date of such  
6 certificate of registration, give notice to the taxpayer to  
7 whom the certificate was issued of the account period of the  
8 delinquent returns, the amount of tax, penalty and interest  
9 due and owing from the taxpayer, and that the certificate of  
10 registration shall not be automatically renewed upon its  
11 expiration date unless the taxpayer, on or before the date of  
12 expiration, has filed and paid the delinquent returns or paid  
13 the defaulted amount in full. A taxpayer to whom such a notice  
14 is issued shall be deemed an applicant for renewal. The  
15 Department shall promulgate regulations establishing  
16 procedures for taxpayers who file returns on a monthly basis  
17 but desire and qualify to change to a quarterly or yearly  
18 filing basis and will no longer be subject to renewal under  
19 this Section, and for taxpayers who file returns on a yearly or  
20 quarterly basis but who desire or are required to change to a  
21 monthly filing basis and will be subject to renewal under this  
22 Section.

23 The Department may in its discretion approve renewal by an  
24 applicant who is in default if, at the time of application for  
25 renewal, the applicant files all of the delinquent returns or  
26 pays to the Department such percentage of the defaulted amount

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

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

19 A certificate of registration issued under this Act more  
20 than 5 years before January 1, 1990 (the effective date of  
21 Public Act 86-383) shall expire and be subject to the renewal  
22 provisions of this Section on the next anniversary of the date  
23 of issuance of such certificate which occurs more than 6  
24 months after January 1, 1990 (the effective date of Public Act  
25 86-383). A certificate of registration issued less than 5  
26 years before January 1, 1990 (the effective date of Public Act

1 86-383) shall expire and be subject to the renewal provisions  
2 of this Section on the 5th anniversary of the issuance of the  
3 certificate.

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

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

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

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

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

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

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

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

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

26 Any person aggrieved by any decision of the Department

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

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

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

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

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

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



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

12 (Source: P.A. 102-40, eff. 6-25-21; 103-319, eff. 1-1-24.)

13 (35 ILCS 120/2c) (from Ch. 120, par. 441c)

14 Sec. 2c. Resales of tangible personal property. If the  
15 purchaser is not registered with the Department as a taxpayer,  
16 but claims to be a reseller of the tangible personal property  
17 in such a way that such resales are not taxable under this Act  
18 or under some other tax law which the Department may  
19 administer, such purchaser (except in the case of an  
20 out-of-State purchaser who will always resell and deliver the  
21 property to his customers outside Illinois) shall apply to the  
22 Department for a resale number. Such applicant shall state  
23 facts which will show the Department why such applicant is not  
24 liable for tax under this Act or under some other tax law which  
25 the Department may administer on any of his resales and shall

1 furnish such additional information as the Department may  
2 reasonably require.

3       Upon approval of the application, the Department shall  
4 assign a resale number to the applicant and shall certify such  
5 number to him. The Department may cancel any such number which  
6 is obtained through misrepresentation, or which is used to  
7 make a purchase tax-free when the purchase in fact is not a  
8 purchase for resale, or which no longer applies because of the  
9 purchaser's having discontinued the making of tax exempt  
10 resales of the property.

11       The Department may restrict the use of the number to one  
12 year at a time or to some other definite period if the  
13 Department finds it impracticable or otherwise inadvisable to  
14 issue such numbers for indefinite periods.

15       Except as provided hereinabove in this Section, a sale  
16 shall be made tax-free on the ground of being a sale for resale  
17 if the purchaser has an active registration number or resale  
18 number from the Department and furnishes that number to the  
19 seller in connection with certifying to the seller that any  
20 sale to such purchaser is nontaxable because of being a sale  
21 for resale. On and after January 1, 2025, a sale to a lessor of  
22 tangible personal property who is subject to the tax on leases  
23 implemented by this amendatory Act of the 103rd General  
24 Assembly, for the purpose of leasing that property, shall be  
25 made tax-free on the ground of being a sale for resale,  
26 provided the other provisions of this paragraph are met.

1 Failure to present an active registration number or resale  
2 number and a certification to the seller that a sale is for  
3 resale creates a presumption that a sale is not for resale.  
4 This presumption may be rebutted by other evidence that all of  
5 the seller's sales are sale for resale, or that a particular  
6 sale is a sale for resale.

7 (Source: P.A. 83-1463.)

8 (35 ILCS 120/3) (from Ch. 120, par. 442)

9 Sec. 3. Except as provided in this Section, on or before  
10 the twentieth day of each calendar month, every person engaged  
11 in the business of selling, which, on and after January 1,  
12 2025, includes leasing, tangible personal property at retail  
13 in this State during the preceding calendar month shall file a  
14 return with the Department, stating:

15 1. The name of the seller;

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

21 3. Total amount of receipts received by him during the  
22 preceding calendar month or quarter, as the case may be,  
23 from sales of tangible personal property, and from  
24 services furnished, by him during such preceding calendar  
25 month or quarter;

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

6           5. Deductions allowed by law;

7           6. Gross receipts which were received by him during  
8           the preceding calendar month or quarter and upon the basis  
9           of which the tax is imposed, including gross receipts on  
10          food for human consumption that is to be consumed off the  
11          premises where it is sold (other than alcoholic beverages,  
12          food consisting of or infused with adult use cannabis,  
13          soft drinks, and food that has been prepared for immediate  
14          consumption) which were received during the preceding  
15          calendar month or quarter and upon which tax would have  
16          been due but for the 0% rate imposed under Public Act  
17          102-700;

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

20          8. The amount of tax due, including the amount of tax  
21          that would have been due on food for human consumption  
22          that is to be consumed off the premises where it is sold  
23          (other than alcoholic beverages, food consisting of or  
24          infused with adult use cannabis, soft drinks, and food  
25          that has been prepared for immediate consumption) but for  
26          the 0% rate imposed under Public Act 102-700;

1           9. The signature of the taxpayer; and

2           10. Such other reasonable information as the  
3           Department may require.

4           In the case of leases, except as otherwise provided in  
5           this Act, the lessor must remit for each tax return period only  
6           the tax applicable to that part of the selling price actually  
7           received during such tax return period.

8           On and after January 1, 2018, except for returns required  
9           to be filed prior to January 1, 2023 for motor vehicles,  
10          watercraft, aircraft, and trailers that are required to be  
11          registered with an agency of this State, with respect to  
12          retailers whose annual gross receipts average \$20,000 or more,  
13          all returns required to be filed pursuant to this Act shall be  
14          filed electronically. On and after January 1, 2023, with  
15          respect to retailers whose annual gross receipts average  
16          \$20,000 or more, all returns required to be filed pursuant to  
17          this Act, including, but not limited to, returns for motor  
18          vehicles, watercraft, aircraft, and trailers that are required  
19          to be registered with an agency of this State, shall be filed  
20          electronically. Retailers who demonstrate that they do not  
21          have access to the Internet or demonstrate hardship in filing  
22          electronically may petition the Department to waive the  
23          electronic filing requirement.

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

1 due on the return shall be deemed assessed.

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

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

26 Beginning on July 1, 2023 and through December 31, 2032, a

1 retailer may accept a Sustainable Aviation Fuel Purchase  
2 Credit certification from an air common carrier-purchaser in  
3 satisfaction of Use Tax on aviation fuel as provided in  
4 Section 3-87 of the Use Tax Act if the purchaser provides the  
5 appropriate documentation as required by Section 3-87 of the  
6 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit  
7 certification accepted by a retailer in accordance with this  
8 paragraph may be used by that retailer to satisfy Retailers'  
9 Occupation Tax liability (but not in satisfaction of penalty  
10 or interest) in the amount claimed in the certification, not  
11 to exceed 6.25% of the receipts subject to tax from a sale of  
12 aviation fuel. In addition, for a sale of aviation fuel to  
13 qualify to earn the Sustainable Aviation Fuel Purchase Credit,  
14 retailers must retain in their books and records a  
15 certification from the producer of the aviation fuel that the  
16 aviation fuel sold by the retailer and for which a sustainable  
17 aviation fuel purchase credit was earned meets the definition  
18 of sustainable aviation fuel under Section 3-87 of the Use Tax  
19 Act. The documentation must include detail sufficient for the  
20 Department to determine the number of gallons of sustainable  
21 aviation fuel sold.

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

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

4 1. The name of the seller;

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

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

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

15 5. The amount of tax due; and

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

18 Every person engaged in the business of selling aviation  
19 fuel at retail in this State during the preceding calendar  
20 month shall, instead of reporting and paying tax as otherwise  
21 required by this Section, report and pay such tax on a separate  
22 aviation fuel tax return. The requirements related to the  
23 return shall be as otherwise provided in this Section.  
24 Notwithstanding any other provisions of this Act to the  
25 contrary, retailers selling aviation fuel shall file all  
26 aviation fuel tax returns and shall make all aviation fuel tax



1 payments by electronic means in the manner and form required  
2 by the Department. For purposes of this Section, "aviation  
3 fuel" means jet fuel and aviation gasoline.

4 Beginning on October 1, 2003, any person who is not a  
5 licensed distributor, importing distributor, or manufacturer,  
6 as defined in the Liquor Control Act of 1934, but is engaged in  
7 the business of selling, at retail, alcoholic liquor shall  
8 file a statement with the Department of Revenue, in a format  
9 and at a time prescribed by the Department, showing the total  
10 amount paid for alcoholic liquor purchased during the  
11 preceding month and such other information as is reasonably  
12 required by the Department. The Department may adopt rules to  
13 require that this statement be filed in an electronic or  
14 telephonic format. Such rules may provide for exceptions from  
15 the filing requirements of this paragraph. For the purposes of  
16 this paragraph, the term "alcoholic liquor" shall have the  
17 meaning prescribed in the Liquor Control Act of 1934.

18 Beginning on October 1, 2003, every distributor, importing  
19 distributor, and manufacturer of alcoholic liquor as defined  
20 in the Liquor Control Act of 1934, shall file a statement with  
21 the Department of Revenue, no later than the 10th day of the  
22 month for the preceding month during which transactions  
23 occurred, by electronic means, showing the total amount of  
24 gross receipts from the sale of alcoholic liquor sold or  
25 distributed during the preceding month to purchasers;  
26 identifying the purchaser to whom it was sold or distributed;

1 the purchaser's tax registration number; and such other  
2 information reasonably required by the Department. A  
3 distributor, importing distributor, or manufacturer of  
4 alcoholic liquor must personally deliver, mail, or provide by  
5 electronic means to each retailer listed on the monthly  
6 statement a report containing a cumulative total of that  
7 distributor's, importing distributor's, or manufacturer's  
8 total sales of alcoholic liquor to that retailer no later than  
9 the 10th day of the month for the preceding month during which  
10 the transaction occurred. The distributor, importing  
11 distributor, or manufacturer shall notify the retailer as to  
12 the method by which the distributor, importing distributor, or  
13 manufacturer will provide the sales information. If the  
14 retailer is unable to receive the sales information by  
15 electronic means, the distributor, importing distributor, or  
16 manufacturer shall furnish the sales information by personal  
17 delivery or by mail. For purposes of this paragraph, the term  
18 "electronic means" includes, but is not limited to, the use of  
19 a secure Internet website, e-mail, or facsimile.

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

24 Notwithstanding any other provision of this Act to the  
25 contrary, retailers subject to tax on cannabis shall file all  
26 cannabis tax returns and shall make all cannabis tax payments

1 by electronic means in the manner and form required by the  
2 Department.

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

1 rules of the Department by electronic funds transfer.

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 required  
5 to make payments by electronic funds transfer shall make those  
6 payments for a minimum of one year beginning on October 1.

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

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

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

17 Any amount which is required to be shown or reported on any  
18 return or other document under this Act shall, if such amount  
19 is not a whole-dollar amount, be increased to the nearest  
20 whole-dollar amount in any case where the fractional part of a  
21 dollar is 50 cents or more, and decreased to the nearest  
22 whole-dollar amount where the fractional part of a dollar is  
23 less than 50 cents.

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

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

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

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

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

25 Where the same person has more than one business  
26 registered with the Department under separate registrations

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

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

1 Act, a personal watercraft, or any boat equipped with an  
2 inboard motor.

3 In addition, with respect to motor vehicles, watercraft,  
4 aircraft, and trailers that are required to be registered with  
5 an agency of this State, every person who is engaged in the  
6 business of leasing or renting such items and who, in  
7 connection with such business, sells any such item to a  
8 retailer for the purpose of resale is, notwithstanding any  
9 other provision of this Section to the contrary, authorized to  
10 meet the return-filing requirement of this Act by reporting  
11 the transfer of all the aircraft, watercraft, motor vehicles,  
12 or trailers transferred for resale during a month to the  
13 Department on the same uniform invoice-transaction reporting  
14 return form on or before the 20th of the month following the  
15 month in which the transfer takes place. Notwithstanding any  
16 other provision of this Act to the contrary, all returns filed  
17 under this paragraph must be filed by electronic means in the  
18 manner and form as required by the Department.

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

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

22           The transaction reporting return in the case of watercraft  
23 or aircraft must show the name and address of the seller; the  
24 name and address of the purchaser; the amount of the selling  
25 price including the amount allowed by the retailer for  
26 traded-in property, if any; the amount allowed by the retailer



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

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

25 With each such transaction reporting return, the retailer  
26 shall remit the proper amount of tax due (or shall submit

1 satisfactory evidence that the sale is not taxable if that is  
2 the case), to the Department or its agents, whereupon the  
3 Department shall issue, in the purchaser's name, a use tax  
4 receipt (or a certificate of exemption if the Department is  
5 satisfied that the particular sale is tax exempt) which such  
6 purchaser may submit to the agency with which, or State  
7 officer with whom, he must title or register the tangible  
8 personal property that is involved (if titling or registration  
9 is required) in support of such purchaser's application for an  
10 Illinois certificate or other evidence of title or  
11 registration to such tangible personal property.

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

20 If the user who would otherwise pay tax to the retailer  
21 wants the transaction reporting return filed and the payment  
22 of the tax or proof of exemption made to the Department before  
23 the retailer is willing to take these actions and such user has  
24 not paid the tax to the retailer, such user may certify to the  
25 fact of such delay by the retailer and may (upon the Department  
26 being satisfied of the truth of such certification) transmit

1 the information required by the transaction reporting return  
2 and the remittance for tax or proof of exemption directly to  
3 the Department and obtain his tax receipt or exemption  
4 determination, in which event the transaction reporting return  
5 and tax remittance (if a tax payment was required) shall be  
6 credited by the Department to the proper retailer's account  
7 with the Department, but without the 2.1% or 1.75% discount  
8 provided for in this Section being allowed. When the user pays  
9 the tax directly to the Department, he shall pay the tax in the  
10 same amount and in the same form in which it would be remitted  
11 if the tax had been remitted to the Department by the retailer.

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

20 Where the seller is a corporation, the return filed on  
21 behalf of such corporation shall be signed by the president,  
22 vice-president, secretary, or treasurer or by the properly  
23 accredited agent of such corporation.

24 Where the seller is a limited liability company, the  
25 return filed on behalf of the limited liability company shall  
26 be signed by a manager, member, or properly accredited agent

1 of the limited liability company.

2 Except as provided in this Section, the retailer filing  
3 the return under this Section shall, at the time of filing such  
4 return, pay to the Department the amount of tax imposed by this  
5 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
6 on and after January 1, 1990, or \$5 per calendar year,  
7 whichever is greater, which is allowed to reimburse the  
8 retailer for the expenses incurred in keeping records,  
9 preparing and filing returns, remitting the tax and supplying  
10 data to the Department on request. On and after January 1,  
11 2021, a certified service provider, as defined in the Leveling  
12 the Playing Field for Illinois Retail Act, filing the return  
13 under this Section on behalf of a remote retailer shall, at the  
14 time of such return, pay to the Department the amount of tax  
15 imposed by this Act less a discount of 1.75%. A remote retailer  
16 using a certified service provider to file a return on its  
17 behalf, as provided in the Leveling the Playing Field for  
18 Illinois Retail Act, is not eligible for the discount. When  
19 determining the discount allowed under this Section, retailers  
20 shall include the amount of tax that would have been due at the  
21 1% rate but for the 0% rate imposed under Public Act 102-700.  
22 When determining the discount allowed under this Section,  
23 retailers shall include the amount of tax that would have been  
24 due at the 6.25% rate but for the 1.25% rate imposed on sales  
25 tax holiday items under Public Act 102-700. The discount under  
26 this Section is not allowed for the 1.25% portion of taxes paid

1 on aviation fuel that is subject to the revenue use  
2 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. Any  
3 prepayment made pursuant to Section 2d of this Act shall be  
4 included in the amount on which such 2.1% or 1.75% discount is  
5 computed. In the case of retailers who report and pay the tax  
6 on a transaction by transaction basis, as provided in this  
7 Section, such discount shall be taken with each such tax  
8 remittance instead of when such retailer files his periodic  
9 return. The discount allowed under this Section is allowed  
10 only for returns that are filed in the manner required by this  
11 Act. The Department may disallow the discount for retailers  
12 whose certificate of registration is revoked at the time the  
13 return is filed, but only if the Department's decision to  
14 revoke the certificate of registration has become final.

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

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

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

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



1 likely to be long term. Quarter monthly payment status shall  
2 be determined under this paragraph as if the rate reduction to  
3 0% in Public Act 102-700 on food for human consumption that is  
4 to be consumed off the premises where it is sold (other than  
5 alcoholic beverages, food consisting of or infused with adult  
6 use cannabis, soft drinks, and food that has been prepared for  
7 immediate consumption) had not occurred. For quarter monthly  
8 payments due under this paragraph on or after July 1, 2023 and  
9 through June 30, 2024, "25% of the taxpayer's liability for  
10 the same calendar month of the preceding year" shall be  
11 determined as if the rate reduction to 0% in Public Act 102-700  
12 had not occurred. Quarter monthly payment status shall be  
13 determined under this paragraph as if the rate reduction to  
14 1.25% in Public Act 102-700 on sales tax holiday items had not  
15 occurred. For quarter monthly payments due on or after July 1,  
16 2023 and through June 30, 2024, "25% of the taxpayer's  
17 liability for the same calendar month of the preceding year"  
18 shall be determined as if the rate reduction to 1.25% in Public  
19 Act 102-700 on sales tax holiday items had not occurred. If any  
20 such quarter monthly payment is not paid at the time or in the  
21 amount required by this Section, then the taxpayer shall be  
22 liable for penalties and interest on the difference between  
23 the minimum amount due as a payment and the amount of such  
24 quarter monthly payment actually and timely paid, except  
25 insofar as the taxpayer has previously made payments for that  
26 month to the Department in excess of the minimum payments

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

6 The provisions of this paragraph apply before October 1,  
7 2001. Without regard to whether a taxpayer is required to make  
8 quarter monthly payments as specified above, any taxpayer who  
9 is required by Section 2d of this Act to collect and remit  
10 prepaid taxes and has collected prepaid taxes which average in  
11 excess of \$25,000 per month during the preceding 2 complete  
12 calendar quarters, shall file a return with the Department as  
13 required by Section 2f and shall make payments to the  
14 Department on or before the 7th, 15th, 22nd and last day of the  
15 month during which such liability is incurred. If the month  
16 during which such tax liability is incurred began prior to  
17 September 1, 1985 (the effective date of Public Act 84-221),  
18 each payment shall be in an amount not less than 22.5% of the  
19 taxpayer's actual liability under Section 2d. If the month  
20 during which such tax liability is incurred begins on or after  
21 January 1, 1986, 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 calendar year. If the month during which such  
25 tax liability is incurred begins on or after January 1, 1987,  
26 each payment shall be in an amount equal to 22.5% of the

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

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

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

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

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

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

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the Local Government Tax Fund, a special fund in the  
23 State treasury which is hereby created, the net revenue  
24 realized for the preceding month from the 1% tax imposed under  
25 this Act.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the County and Mass Transit District Fund, a special  
2 fund in the State treasury which is hereby created, 4% of the  
3 net revenue realized for the preceding month from the 6.25%  
4 general rate other than aviation fuel sold on or after  
5 December 1, 2019. This exception for aviation fuel only  
6 applies for so long as the revenue use requirements of 49  
7 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

8 Beginning August 1, 2000, each month the Department shall  
9 pay into the County and Mass Transit District Fund 20% of the  
10 net revenue realized for the preceding month from the 1.25%  
11 rate on the selling price of motor fuel and gasohol. If, in any  
12 month, the tax on sales tax holiday items, as defined in  
13 Section 2-8, is imposed at the rate of 1.25%, then the  
14 Department shall pay 20% of the net revenue realized for that  
15 month from the 1.25% rate on the selling price of sales tax  
16 holiday items into the County and Mass Transit District Fund.

17 Beginning January 1, 1990, each month the Department shall  
18 pay into the Local Government Tax Fund 16% of the net revenue  
19 realized for the preceding month from the 6.25% general rate  
20 on the selling price of tangible personal property other than  
21 aviation fuel sold on or after December 1, 2019. This  
22 exception for aviation fuel only applies for so long as the  
23 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
24 47133 are binding on the State.

25 For aviation fuel sold on or after December 1, 2019, each  
26 month the Department shall pay into the State Aviation Program

1 Fund 20% of the net revenue realized for the preceding month  
2 from the 6.25% general rate on the selling price of aviation  
3 fuel, less an amount estimated by the Department to be  
4 required for refunds of the 20% portion of the tax on aviation  
5 fuel under this Act, which amount shall be deposited into the  
6 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
7 pay moneys into the State Aviation Program Fund and the  
8 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
9 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
10 U.S.C. 47133 are binding on the State.

11 Beginning August 1, 2000, each month the Department shall  
12 pay into the Local Government Tax Fund 80% of the net revenue  
13 realized for the preceding month from the 1.25% rate on the  
14 selling price of motor fuel and gasohol. If, in any month, the  
15 tax on sales tax holiday items, as defined in Section 2-8, is  
16 imposed at the rate of 1.25%, then the Department shall pay 80%  
17 of the net revenue realized for that month from the 1.25% rate  
18 on the selling price of sales tax holiday items into the Local  
19 Government Tax Fund.

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

1           Beginning July 1, 2011, each month the Department shall  
2 pay into the Clean Air Act Permit Fund 80% of the net revenue  
3 realized for the preceding month from the 6.25% general rate  
4 on the selling price of sorbents used in Illinois in the  
5 process of sorbent injection as used to comply with the  
6 Environmental Protection Act or the federal Clean Air Act, but  
7 the total payment into the Clean Air Act Permit Fund under this  
8 Act and the Use Tax Act shall not exceed \$2,000,000 in any  
9 fiscal year.

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

25           Beginning July 1, 2015, of the remainder of the moneys  
26 received by the Department under the Use Tax Act, the Service



1 Use Tax Act, the Service Occupation Tax Act, and this Act, each  
2 month the Department shall deposit \$500,000 into the State  
3 Crime Laboratory Fund.

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

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000

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

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

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

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

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

16	Fiscal Year	Total Deposit
17	1993	\$0
18	1994	53,000,000
19	1995	58,000,000
20	1996	61,000,000
21	1997	64,000,000
22	1998	68,000,000
23	1999	71,000,000
24	2000	75,000,000
25	2001	80,000,000
26	2002	93,000,000

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	300,000,000
20	2022	300,000,000
21	2023	300,000,000
22	2024	300,000,000
23	2025	300,000,000
24	2026	300,000,000
25	2027	375,000,000
26	2028	375,000,000

1	2029	375,000,000
2	2030	375,000,000
3	2031	375,000,000
4	2032	375,000,000
5	2033	375,000,000
6	2034	375,000,000
7	2035	375,000,000
8	2036	450,000,000

9 and

10 each fiscal year  
11 thereafter that bonds  
12 are outstanding under  
13 Section 13.2 of the  
14 Metropolitan Pier and  
15 Exposition Authority Act,  
16 but not after fiscal year 2060.

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

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

4 Subject to payment of amounts into the Capital Projects  
5 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
6 and the McCormick Place Expansion Project Fund pursuant to the  
7 preceding paragraphs or in any amendments thereto hereafter  
8 enacted, for aviation fuel sold on or after December 1, 2019,  
9 the Department shall each month deposit into the Aviation Fuel  
10 Sales Tax Refund Fund an amount estimated by the Department to  
11 be required for refunds of the 80% portion of the tax on  
12 aviation fuel under this Act. The Department shall only  
13 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
14 under this paragraph for so long as the revenue use  
15 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
16 binding on the State.

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

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

1 Illinois Tax Increment Fund pursuant to the preceding  
2 paragraphs or in any amendments to this Section hereafter  
3 enacted, beginning on the first day of the first calendar  
4 month to occur on or after August 26, 2014 (the effective date  
5 of Public Act 98-1098), each month, from the collections made  
6 under Section 9 of the Use Tax Act, Section 9 of the Service  
7 Use Tax Act, Section 9 of the Service Occupation Tax Act, and  
8 Section 3 of the Retailers' Occupation Tax Act, the Department  
9 shall pay into the Tax Compliance and Administration Fund, to  
10 be used, subject to appropriation, to fund additional auditors  
11 and compliance personnel at the Department of Revenue, an  
12 amount equal to 1/12 of 5% of 80% of the cash receipts  
13 collected during the preceding fiscal year by the Audit Bureau  
14 of the Department under the Use Tax Act, the Service Use Tax  
15 Act, the Service Occupation Tax Act, the Retailers' Occupation  
16 Tax Act, and associated local occupation and use taxes  
17 administered by the Department.

18 Subject to payments of amounts into the Build Illinois  
19 Fund, the McCormick Place Expansion Project Fund, the Illinois  
20 Tax Increment Fund, the Energy Infrastructure Fund, and the  
21 Tax Compliance and Administration Fund as provided in this  
22 Section, beginning on July 1, 2018 the Department shall pay  
23 each month into the Downstate Public Transportation Fund the  
24 moneys required to be so paid under Section 2-3 of the  
25 Downstate Public Transportation Act.

26 Subject to successful execution and delivery of a



1 public-private agreement between the public agency and private  
2 entity and completion of the civic build, beginning on July 1,  
3 2023, of the remainder of the moneys received by the  
4 Department under the Use Tax Act, the Service Use Tax Act, the  
5 Service Occupation Tax Act, and this Act, the Department shall  
6 deposit the following specified deposits in the aggregate from  
7 collections under the Use Tax Act, the Service Use Tax Act, the  
8 Service Occupation Tax Act, and the Retailers' Occupation Tax  
9 Act, as required under Section 8.25g of the State Finance Act  
10 for distribution consistent with the Public-Private  
11 Partnership for Civic and Transit Infrastructure Project Act.  
12 The moneys received by the Department pursuant to this Act and  
13 required to be deposited into the Civic and Transit  
14 Infrastructure Fund are subject to the pledge, claim and  
15 charge set forth in Section 25-55 of the Public-Private  
16 Partnership for Civic and Transit Infrastructure Project Act.  
17 As used in this paragraph, "civic build", "private entity",  
18 "public-private agreement", and "public agency" have the  
19 meanings provided in Section 25-10 of the Public-Private  
20 Partnership for Civic and Transit Infrastructure Project Act.

21	Fiscal Year.....	Total Deposit
22	2024 .....	\$200,000,000
23	2025 .....	\$206,000,000
24	2026 .....	\$212,200,000
25	2027 .....	\$218,500,000
26	2028 .....	\$225,100,000

1	2029	.....	\$288,700,000
2	2030	.....	\$298,900,000
3	2031	.....	\$309,300,000
4	2032	.....	\$320,100,000
5	2033	.....	\$331,200,000
6	2034	.....	\$341,200,000
7	2035	.....	\$351,400,000
8	2036	.....	\$361,900,000
9	2037	.....	\$372,800,000
10	2038	.....	\$384,000,000
11	2039	.....	\$395,500,000
12	2040	.....	\$407,400,000
13	2041	.....	\$419,600,000
14	2042	.....	\$432,200,000
15	2043	.....	\$445,100,000

16           Beginning July 1, 2021 and until July 1, 2022, subject to  
17 the payment of amounts into the County and Mass Transit  
18 District Fund, the Local Government Tax Fund, the Build  
19 Illinois Fund, the McCormick Place Expansion Project Fund, the  
20 Illinois Tax Increment Fund, and the Tax Compliance and  
21 Administration Fund as provided in this Section, the  
22 Department shall pay each month into the Road Fund the amount  
23 estimated to represent 16% of the net revenue realized from  
24 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
25 2022 and until July 1, 2023, subject to the payment of amounts  
26 into the County and Mass Transit District Fund, the Local

1 Government Tax Fund, the Build Illinois Fund, the McCormick  
2 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
3 and the Tax Compliance and Administration Fund as provided in  
4 this Section, the Department shall pay each month into the  
5 Road Fund the amount estimated to represent 32% of the net  
6 revenue realized from the taxes imposed on motor fuel and  
7 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
8 subject to the payment of amounts into the County and Mass  
9 Transit District Fund, the Local Government Tax Fund, the  
10 Build Illinois Fund, the McCormick Place Expansion Project  
11 Fund, the Illinois Tax Increment Fund, and the Tax Compliance  
12 and Administration Fund as provided in this Section, the  
13 Department shall pay each month into the Road Fund the amount  
14 estimated to represent 48% of the net revenue realized from  
15 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
16 2024 and until July 1, 2025, subject to the payment of amounts  
17 into the County and Mass Transit District Fund, the Local  
18 Government Tax Fund, the Build Illinois Fund, the McCormick  
19 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
20 and the Tax Compliance and Administration Fund as provided in  
21 this Section, the Department shall pay each month into the  
22 Road Fund the amount estimated to represent 64% of the net  
23 revenue realized from the taxes imposed on motor fuel and  
24 gasohol. Beginning on July 1, 2025, subject to the payment of  
25 amounts into the County and Mass Transit District Fund, the  
26 Local Government Tax Fund, the Build Illinois Fund, the

1 McCormick Place Expansion Project Fund, the Illinois Tax  
2 Increment Fund, and the Tax Compliance and Administration Fund  
3 as provided in this Section, the Department shall pay each  
4 month into the Road Fund the amount estimated to represent 80%  
5 of the net revenue realized from the taxes imposed on motor  
6 fuel and gasohol. As used in this paragraph "motor fuel" has  
7 the meaning given to that term in Section 1.1 of the Motor Fuel  
8 Tax Law, and "gasohol" has the meaning given to that term in  
9 Section 3-40 of the Use Tax Act.

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

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

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

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

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

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

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

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

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

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

24           For greater simplicity of administration, manufacturers,  
25 importers and wholesalers whose products are sold at retail in  
26 Illinois by numerous retailers, and who wish to do so, may

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

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

22 Any person engaged in the business of selling tangible  
23 personal property at retail as a concessionaire or other type  
24 of seller at the Illinois State Fair, county fairs, art shows,  
25 flea markets, and similar exhibitions or events, or any  
26 transient merchants, as defined by Section 2 of the Transient

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

16 (Source: P.A. 102-634, eff. 8-27-21; 102-700, Article 60,  
17 Section 60-30, eff. 4-19-22; 102-700, Article 65, Section  
18 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.  
19 1-1-23; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-363,  
20 eff. 7-28-23; revised 9-27-23.)

21 Section 75-25. The Innovation Development and Economy Act  
22 is amended by changing Section 31 as follows:

23 (50 ILCS 470/31)

24 Sec. 31. STAR bond occupation taxes.



1           (a) If the corporate authorities of a political  
2 subdivision have established a STAR bond district and have  
3 elected to impose a tax by ordinance pursuant to subsection  
4 (b) or (c) of this Section, each year after the date of the  
5 adoption of the ordinance and until all STAR bond project  
6 costs and all political subdivision obligations financing the  
7 STAR bond project costs, if any, have been paid in accordance  
8 with the STAR bond project plans, but in no event longer than  
9 the maximum maturity date of the last of the STAR bonds issued  
10 for projects in the STAR bond district, all amounts generated  
11 by the retailers' occupation tax and service occupation tax  
12 shall be collected and the tax shall be enforced by the  
13 Department of Revenue in the same manner as all retailers'  
14 occupation taxes and service occupation taxes imposed in the  
15 political subdivision imposing the tax. The corporate  
16 authorities of the political subdivision shall deposit the  
17 proceeds of the taxes imposed under subsections (b) and (c)  
18 into either (i) a special fund held by the corporate  
19 authorities of the political subdivision called the STAR Bonds  
20 Tax Allocation Fund for the purpose of paying STAR bond  
21 project costs and obligations incurred in the payment of those  
22 costs if such taxes are designated as pledged STAR revenues by  
23 resolution or ordinance of the political subdivision or (ii)  
24 the political subdivision's general corporate fund if such  
25 taxes are not designated as pledged STAR revenues by  
26 resolution or ordinance.

1           The tax imposed under this Section by a municipality may  
2 be imposed only on the portion of a STAR bond district that is  
3 within the boundaries of the municipality. For any part of a  
4 STAR bond district that lies outside of the boundaries of that  
5 municipality, the municipality in which the other part of the  
6 STAR bond district lies (or the county, in cases where a  
7 portion of the STAR bond district lies in the unincorporated  
8 area of a county) is authorized to impose the tax under this  
9 Section on that part of the STAR bond district.

10           (b) The corporate authorities of a political subdivision  
11 that has established a STAR bond district under this Act may,  
12 by ordinance or resolution, impose a STAR Bond Retailers'  
13 Occupation Tax upon all persons engaged in the business of  
14 selling tangible personal property, other than an item of  
15 tangible personal property titled or registered with an agency  
16 of this State's government, at retail in the STAR bond  
17 district at a rate not to exceed 1% of the gross receipts from  
18 the sales made in the course of that business, to be imposed  
19 only in 0.25% increments. The tax may not be imposed on  
20 tangible personal property taxed at the 1% rate under the  
21 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
22 this amendatory Act of the 102nd General Assembly). Beginning  
23 December 1, 2019 and through December 31, 2020, this tax is not  
24 imposed on sales of aviation fuel unless the tax revenue is  
25 expended for airport-related purposes. If the District does  
26 not have an airport-related purpose to which aviation fuel tax

1 revenue is dedicated, then aviation fuel is excluded from the  
2 tax. The municipality must comply with the certification  
3 requirements for airport-related purposes under Section 2-22  
4 of the Retailers' Occupation Tax Act. For purposes of this  
5 Act, "airport-related purposes" has the meaning ascribed in  
6 Section 6z-20.2 of the State Finance Act. Beginning January 1,  
7 2021, this tax is not imposed on sales of aviation fuel for so  
8 long as the revenue use requirements of 49 U.S.C. 47107(b) and  
9 49 U.S.C. 47133 are binding on the District.

10 The tax imposed under this subsection and all civil  
11 penalties that may be assessed as an incident thereof shall be  
12 collected and enforced by the Department of Revenue. The  
13 certificate of registration that is issued by the Department  
14 to a retailer under the Retailers' Occupation Tax Act shall  
15 permit the retailer to engage in a business that is taxable  
16 under any ordinance or resolution enacted pursuant to this  
17 subsection without registering separately with the Department  
18 under such ordinance or resolution or under this subsection.  
19 The Department of Revenue shall have full power to administer  
20 and enforce this subsection, to collect all taxes and  
21 penalties due under this subsection in the manner hereinafter  
22 provided, and to determine all rights to credit memoranda  
23 arising on account of the erroneous payment of tax or penalty  
24 under this subsection. In the administration of, and  
25 compliance with, this subsection, the Department and persons  
26 who are subject to this subsection shall have the same rights,

1 remedies, privileges, immunities, powers, and duties, and be  
2 subject to the same conditions, restrictions, limitations,  
3 penalties, exclusions, exemptions, and definitions of terms  
4 and employ the same modes of procedure, as are prescribed in  
5 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all  
6 provisions therein other than the State rate of tax), 2c  
7 through 2h, 3 (except as to the disposition of taxes and  
8 penalties collected, and except that the retailer's discount  
9 is not allowed for taxes paid on aviation fuel that are subject  
10 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
11 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,  
12 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the  
13 Retailers' Occupation Tax Act and all provisions of the  
14 Uniform Penalty and Interest Act, as fully as if those  
15 provisions were set forth herein.

16 If a tax is imposed under this subsection (b), a tax shall  
17 also be imposed under subsection (c) of this Section.

18 (c) If a tax has been imposed under subsection (b), a STAR  
19 Bond Service Occupation Tax shall also be imposed upon all  
20 persons engaged, in the STAR bond district, in the business of  
21 making sales of service, who, as an incident to making those  
22 sales of service, transfer tangible personal property within  
23 the STAR bond district, either in the form of tangible  
24 personal property or in the form of real estate as an incident  
25 to a sale of service. The tax shall be imposed at the same rate  
26 as the tax imposed in subsection (b) and shall not exceed 1% of

1 the selling price of tangible personal property so transferred  
2 within the STAR bond district, to be imposed only in 0.25%  
3 increments. The tax may not be imposed on tangible personal  
4 property taxed at the 1% rate under the Service Occupation Tax  
5 Act (or at the 0% rate imposed under this amendatory Act of the  
6 102nd General Assembly). Beginning December 1, 2019 and  
7 through December 31, 2020, this tax is not imposed on sales of  
8 aviation fuel unless the tax revenue is expended for  
9 airport-related purposes. If the District does not have an  
10 airport-related purpose to which aviation fuel tax revenue is  
11 dedicated, then aviation fuel is excluded from the tax. The  
12 municipality must comply with the certification requirements  
13 for airport-related purposes under Section 2-22 of the  
14 Retailers' Occupation Tax Act. For purposes of this Act,  
15 "airport-related purposes" has the meaning ascribed in Section  
16 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
17 this tax is not imposed on sales of aviation fuel for so long  
18 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
19 U.S.C. 47133 are binding on the District.

20 The tax imposed under this subsection and all civil  
21 penalties that may be assessed as an incident thereof shall be  
22 collected and enforced by the Department of Revenue. The  
23 certificate of registration that is issued by the Department  
24 to a retailer under the Retailers' Occupation Tax Act or under  
25 the Service Occupation Tax Act shall permit the registrant to  
26 engage in a business that is taxable under any ordinance or

1 resolution enacted pursuant to this subsection without  
2 registering separately with the Department under that  
3 ordinance or resolution or under this subsection. The  
4 Department of Revenue shall have full power to administer and  
5 enforce this subsection, to collect all taxes and penalties  
6 due under this subsection, to dispose of taxes and penalties  
7 so collected in the manner hereinafter provided, and to  
8 determine all rights to credit memoranda arising on account of  
9 the erroneous payment of tax or penalty under this subsection.  
10 In the administration of, and compliance with this subsection,  
11 the Department and persons who are subject to this subsection  
12 shall have the same rights, remedies, privileges, immunities,  
13 powers, and duties, and be subject to the same conditions,  
14 restrictions, limitations, penalties, exclusions, exemptions,  
15 and definitions of terms and employ the same modes of  
16 procedure as are prescribed in Sections 2, 2a through 2d, 3  
17 through 3-50 (in respect to all provisions therein other than  
18 the State rate of tax), 4 (except that the reference to the  
19 State shall be to the STAR bond district), 5, 7, 8 (except that  
20 the jurisdiction to which the tax shall be a debt to the extent  
21 indicated in that Section 8 shall be the political  
22 subdivision), 9 (except as to the disposition of taxes and  
23 penalties collected, and except that the returned merchandise  
24 credit for this tax may not be taken against any State tax, and  
25 except that the retailer's discount is not allowed for taxes  
26 paid on aviation fuel that are subject to the revenue use

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,  
2 11, 12 (except the reference therein to Section 2b of the  
3 Retailers' Occupation Tax Act), 13 (except that any reference  
4 to the State shall mean the political subdivision), the first  
5 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of  
6 the Service Occupation Tax Act and all provisions of the  
7 Uniform Penalty and Interest Act, as fully as if those  
8 provisions were set forth herein.

9 If a tax is imposed under this subsection (c), a tax shall  
10 also be imposed under subsection (b) of this Section.

11 (c-5) If, on January 1, 2025, a unit of local government  
12 has in effect a tax under this Section, or if, after January 1,  
13 2025, a unit of local government imposes a tax under this  
14 Section, then that tax applies to leases of tangible personal  
15 property in effect, entered into, or renewed on or after that  
16 date in the same manner as the tax under this Section and in  
17 accordance with the changes made by this amendatory Act of the  
18 103rd General Assembly.

19 (d) Persons subject to any tax imposed under this Section  
20 may reimburse themselves for their seller's tax liability  
21 under this Section by separately stating the tax as an  
22 additional charge, which charge may be stated in combination,  
23 in a single amount, with State taxes that sellers are required  
24 to collect under the Use Tax Act, in accordance with such  
25 bracket schedules as the Department may prescribe.

26 Whenever the Department determines that a refund should be

1 made under this Section to a claimant instead of issuing a  
2 credit memorandum, the Department shall notify the State  
3 Comptroller, who shall cause the order to be drawn for the  
4 amount specified and to the person named in the notification  
5 from the Department. The refund shall be paid by the State  
6 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund  
7 or the Local Government Aviation Trust Fund, as appropriate.

8 Except as otherwise provided in this paragraph, the  
9 Department shall immediately pay over to the State Treasurer,  
10 ex officio, as trustee, all taxes, penalties, and interest  
11 collected under this Section for deposit into the STAR Bond  
12 Retailers' Occupation Tax Fund. Taxes and penalties collected  
13 on aviation fuel sold on or after December 1, 2019, shall be  
14 immediately paid over by the Department to the State  
15 Treasurer, ex officio, as trustee, for deposit into the Local  
16 Government Aviation Trust Fund. The Department shall only pay  
17 moneys into the Local Government Aviation Trust Fund under  
18 this Section for so long as the revenue use requirements of 49  
19 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
20 District. On or before the 25th day of each calendar month, the  
21 Department shall prepare and certify to the Comptroller the  
22 disbursement of stated sums of money to named political  
23 subdivisions from the STAR Bond Retailers' Occupation Tax  
24 Fund, the political subdivisions to be those from which  
25 retailers have paid taxes or penalties under this Section to  
26 the Department during the second preceding calendar month. The



1 amount to be paid to each political subdivision shall be the  
2 amount (not including credit memoranda and not including taxes  
3 and penalties collected on aviation fuel sold on or after  
4 December 1, 2019) collected under this Section during the  
5 second preceding calendar month by the Department plus an  
6 amount the Department determines is necessary to offset any  
7 amounts that were erroneously paid to a different taxing body,  
8 and not including an amount equal to the amount of refunds made  
9 during the second preceding calendar month by the Department,  
10 less 3% of that amount, which shall be deposited into the Tax  
11 Compliance and Administration Fund and shall be used by the  
12 Department, subject to appropriation, to cover the costs of  
13 the Department in administering and enforcing the provisions  
14 of this Section, on behalf of such political subdivision, and  
15 not including any amount that the Department determines is  
16 necessary to offset any amounts that were payable to a  
17 different taxing body but were erroneously paid to the  
18 political subdivision. Within 10 days after receipt by the  
19 Comptroller of the disbursement certification to the political  
20 subdivisions provided for in this Section to be given to the  
21 Comptroller by the Department, the Comptroller shall cause the  
22 orders to be drawn for the respective amounts in accordance  
23 with the directions contained in the certification. The  
24 proceeds of the tax paid to political subdivisions under this  
25 Section shall be deposited into either (i) the STAR Bonds Tax  
26 Allocation Fund by the political subdivision if the political

1 subdivision has designated them as pledged STAR revenues by  
2 resolution or ordinance or (ii) the political subdivision's  
3 general corporate fund if the political subdivision has not  
4 designated them as pledged STAR revenues.

5 An ordinance or resolution imposing or discontinuing the  
6 tax under this Section or effecting a change in the rate  
7 thereof shall either (i) be adopted and a certified copy  
8 thereof filed with the Department on or before the first day of  
9 April, whereupon the Department, if all other requirements of  
10 this Section are met, shall proceed to administer and enforce  
11 this Section as of the first day of July next following the  
12 adoption and filing; or (ii) be adopted and a certified copy  
13 thereof filed with the Department on or before the first day of  
14 October, whereupon, if all other requirements of this Section  
15 are met, the Department shall proceed to administer and  
16 enforce this Section as of the first day of January next  
17 following the adoption and filing.

18 The Department of Revenue shall not administer or enforce  
19 an ordinance imposing, discontinuing, or changing the rate of  
20 the tax under this Section until the political subdivision  
21 also provides, in the manner prescribed by the Department, the  
22 boundaries of the STAR bond district and each address in the  
23 STAR bond district in such a way that the Department can  
24 determine by its address whether a business is located in the  
25 STAR bond district. The political subdivision must provide  
26 this boundary and address information to the Department on or

1 before April 1 for administration and enforcement of the tax  
2 under this Section by the Department beginning on the  
3 following July 1 and on or before October 1 for administration  
4 and enforcement of the tax under this Section by the  
5 Department beginning on the following January 1. The  
6 Department of Revenue shall not administer or enforce any  
7 change made to the boundaries of a STAR bond district or any  
8 address change, addition, or deletion until the political  
9 subdivision reports the boundary change or address change,  
10 addition, or deletion to the Department in the manner  
11 prescribed by the Department. The political subdivision must  
12 provide this boundary change or address change, addition, or  
13 deletion information to the Department on or before April 1  
14 for administration and enforcement by the Department of the  
15 change, addition, or deletion beginning on the following July  
16 1 and on or before October 1 for administration and  
17 enforcement by the Department of the change, addition, or  
18 deletion beginning on the following January 1. The retailers  
19 in the STAR bond district shall be responsible for charging  
20 the tax imposed under this Section. If a retailer is  
21 incorrectly included or excluded from the list of those  
22 required to collect the tax under this Section, both the  
23 Department of Revenue and the retailer shall be held harmless  
24 if they reasonably relied on information provided by the  
25 political subdivision.

26 A political subdivision that imposes the tax under this

1 Section must submit to the Department of Revenue any other  
2 information as the Department may require that is necessary  
3 for the administration and enforcement of the tax.

4 When certifying the amount of a monthly disbursement to a  
5 political subdivision under this Section, the Department shall  
6 increase or decrease the amount by an amount necessary to  
7 offset any misallocation of previous disbursements. The offset  
8 amount shall be the amount erroneously disbursed within the  
9 previous 6 months from the time a misallocation is discovered.

10 Nothing in this Section shall be construed to authorize  
11 the political subdivision to impose a tax upon the privilege  
12 of engaging in any business which under the Constitution of  
13 the United States may not be made the subject of taxation by  
14 this State.

15 (e) When STAR bond project costs, including, without  
16 limitation, all political subdivision obligations financing  
17 STAR bond project costs, have been paid, any surplus funds  
18 then remaining in the STAR Bonds Tax Allocation Fund shall be  
19 distributed to the treasurer of the political subdivision for  
20 deposit into the political subdivision's general corporate  
21 fund. Upon payment of all STAR bond project costs and  
22 retirement of obligations, but in no event later than the  
23 maximum maturity date of the last of the STAR bonds issued in  
24 the STAR bond district, the political subdivision shall adopt  
25 an ordinance immediately rescinding the taxes imposed pursuant  
26 to this Section and file a certified copy of the ordinance with

1 the Department in the form and manner as described in this  
2 Section.

3 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19;  
4 102-700, eff. 4-19-22.)

5 Section 75-30. The Counties Code is amended by changing  
6 Sections 5-1006, 5-1006.5, 5-1006.7, 5-1007, and 5-1008.5 as  
7 follows:

8 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

9 Sec. 5-1006. Home Rule County Retailers' Occupation Tax  
10 Law. Any county that is a home rule unit may impose a tax upon  
11 all persons engaged in the business of selling tangible  
12 personal property, other than an item of tangible personal  
13 property titled or registered with an agency of this State's  
14 government, at retail in the county on the gross receipts from  
15 such sales made in the course of their business. If imposed,  
16 this tax shall only be imposed in 1/4% increments. On and after  
17 September 1, 1991, this additional tax may not be imposed on  
18 tangible personal property taxed at the 1% rate under the  
19 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
20 this amendatory Act of the 102nd General Assembly). Beginning  
21 December 1, 2019, this tax is not imposed on sales of aviation  
22 fuel unless the tax revenue is expended for airport-related  
23 purposes. If the county does not have an airport-related  
24 purpose to which it dedicates aviation fuel tax revenue, then

1 aviation fuel is excluded from the tax. The county must comply  
2 with the certification requirements for airport-related  
3 purposes under Section 2-22 of the Retailers' Occupation Tax  
4 Act. For purposes of this Section, "airport-related purposes"  
5 has the meaning ascribed in Section 6z-20.2 of the State  
6 Finance Act. This exclusion for aviation fuel only applies for  
7 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
8 and 49 U.S.C. 47133 are binding on the county. The changes made  
9 to this Section by this amendatory Act of the 101st General  
10 Assembly are a denial and limitation of home rule powers and  
11 functions under subsection (g) of Section 6 of Article VII of  
12 the Illinois Constitution.

13 If, on January 1, 2025, a unit of local government has in  
14 effect a tax under this Section, or if, after January 1, 2025,  
15 a unit of local government imposes a tax under this Section,  
16 then that tax applies to leases of tangible personal property  
17 in effect, entered into, or renewed on or after that date in  
18 the same manner as the tax under this Section and in accordance  
19 with the changes made by this amendatory Act of the 103rd  
20 General Assembly.

21 The tax imposed by a home rule county pursuant to this  
22 Section and all civil penalties that may be assessed as an  
23 incident thereof shall be collected and enforced by the State  
24 Department of Revenue. The certificate of registration that is  
25 issued by the Department to a retailer under the Retailers'  
26 Occupation Tax Act shall permit the retailer to engage in a

1 business that is taxable under any ordinance or resolution  
2 enacted pursuant to this Section without registering  
3 separately with the Department under such ordinance or  
4 resolution or under this Section. The Department shall have  
5 full power to administer and enforce this Section; to collect  
6 all taxes and penalties due hereunder; to dispose of taxes and  
7 penalties so collected in the manner hereinafter provided; and  
8 to determine all rights to credit memoranda arising on account  
9 of the erroneous payment of tax or penalty hereunder. In the  
10 administration of, and compliance with, this Section, the  
11 Department and persons who are subject to this Section shall  
12 have the same rights, remedies, privileges, immunities, powers  
13 and duties, and be subject to the same conditions,  
14 restrictions, limitations, penalties and definitions of terms,  
15 and employ the same modes of procedure, as are prescribed in  
16 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through  
17 2-65 (in respect to all provisions therein other than the  
18 State rate of tax), 3 (except as to the disposition of taxes  
19 and penalties collected, and except that the retailer's  
20 discount is not allowed for taxes paid on aviation fuel that  
21 are subject to the revenue use requirements of 49 U.S.C.  
22 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
23 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12  
24 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of  
25 the Uniform Penalty and Interest Act, as fully as if those  
26 provisions were set forth herein.

1           No tax may be imposed by a home rule county pursuant to  
2 this Section unless the county also imposes a tax at the same  
3 rate pursuant to Section 5-1007.

4           Persons subject to any tax imposed pursuant to the  
5 authority granted in this Section may reimburse themselves for  
6 their seller's tax liability hereunder by separately stating  
7 such tax as an additional charge, which charge may be stated in  
8 combination, in a single amount, with State tax which sellers  
9 are required to collect under the Use Tax Act, pursuant to such  
10 bracket schedules as the Department may prescribe.

11           Whenever the Department determines that a refund should be  
12 made under this Section to a claimant instead of issuing a  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the order to be drawn for the  
15 amount specified and to the person named in the notification  
16 from the Department. The refund shall be paid by the State  
17 Treasurer out of the home rule county retailers' occupation  
18 tax fund or the Local Government Aviation Trust Fund, as  
19 appropriate.

20           Except as otherwise provided in this paragraph, the  
21 Department shall forthwith pay over to the State Treasurer, ex  
22 officio, as trustee, all taxes and penalties collected  
23 hereunder for deposit into the Home Rule County Retailers'  
24 Occupation Tax Fund. Taxes and penalties collected on aviation  
25 fuel sold on or after December 1, 2019, shall be immediately  
26 paid over by the Department to the State Treasurer, ex



1 officio, as trustee, for deposit into the Local Government  
2 Aviation Trust Fund. The Department shall only pay moneys into  
3 the Local Government Aviation Trust Fund under this Section  
4 for so long as the revenue use requirements of 49 U.S.C.  
5 47107(b) and 49 U.S.C. 47133 are binding on the county.

6 As soon as possible after the first day of each month,  
7 beginning January 1, 2011, upon certification of the  
8 Department of Revenue, the Comptroller shall order  
9 transferred, and the Treasurer shall transfer, to the STAR  
10 Bonds Revenue Fund the local sales tax increment, as defined  
11 in the Innovation Development and Economy Act, collected under  
12 this Section during the second preceding calendar month for  
13 sales within a STAR bond district.

14 After the monthly transfer to the STAR Bonds Revenue Fund,  
15 on or before the 25th day of each calendar month, the  
16 Department shall prepare and certify to the Comptroller the  
17 disbursement of stated sums of money to named counties, the  
18 counties to be those from which retailers have paid taxes or  
19 penalties hereunder to the Department during the second  
20 preceding calendar month. The amount to be paid to each county  
21 shall be the amount (not including credit memoranda and not  
22 including taxes and penalties collected on aviation fuel sold  
23 on or after December 1, 2019) collected hereunder during the  
24 second preceding calendar month by the Department plus an  
25 amount the Department determines is necessary to offset any  
26 amounts that were erroneously paid to a different taxing body,

1 and not including an amount equal to the amount of refunds made  
2 during the second preceding calendar month by the Department  
3 on behalf of such county, and not including any amount which  
4 the Department determines is necessary to offset any amounts  
5 which were payable to a different taxing body but were  
6 erroneously paid to the county, and not including any amounts  
7 that are transferred to the STAR Bonds Revenue Fund, less 1.5%  
8 of the remainder, which the Department shall transfer into the  
9 Tax Compliance and Administration Fund. The Department, at the  
10 time of each monthly disbursement to the counties, shall  
11 prepare and certify to the State Comptroller the amount to be  
12 transferred into the Tax Compliance and Administration Fund  
13 under this Section. Within 10 days after receipt, by the  
14 Comptroller, of the disbursement certification to the counties  
15 and the Tax Compliance and Administration Fund provided for in  
16 this Section to be given to the Comptroller by the Department,  
17 the Comptroller shall cause the orders to be drawn for the  
18 respective amounts in accordance with the directions contained  
19 in the certification.

20 In addition to the disbursement required by the preceding  
21 paragraph, an allocation shall be made in March of each year to  
22 each county that received more than \$500,000 in disbursements  
23 under the preceding paragraph in the preceding calendar year.  
24 The allocation shall be in an amount equal to the average  
25 monthly distribution made to each such county under the  
26 preceding paragraph during the preceding calendar year

1 (excluding the 2 months of highest receipts). The distribution  
2 made in March of each year subsequent to the year in which an  
3 allocation was made pursuant to this paragraph and the  
4 preceding paragraph shall be reduced by the amount allocated  
5 and disbursed under this paragraph in the preceding calendar  
6 year. The Department shall prepare and certify to the  
7 Comptroller for disbursement the allocations made in  
8 accordance with this paragraph.

9 For the purpose of determining the local governmental unit  
10 whose tax is applicable, a retail sale by a producer of coal or  
11 other mineral mined in Illinois is a sale at retail at the  
12 place where the coal or other mineral mined in Illinois is  
13 extracted from the earth. This paragraph does not apply to  
14 coal or other mineral when it is delivered or shipped by the  
15 seller to the purchaser at a point outside Illinois so that the  
16 sale is exempt under the United States Constitution as a sale  
17 in interstate or foreign commerce.

18 Nothing in this Section shall be construed to authorize a  
19 county to impose a tax upon the privilege of engaging in any  
20 business which under the Constitution of the United States may  
21 not be made the subject of taxation by this State.

22 An ordinance or resolution imposing or discontinuing a tax  
23 hereunder or effecting a change in the rate thereof shall be  
24 adopted and a certified copy thereof filed with the Department  
25 on or before the first day of June, whereupon the Department  
26 shall proceed to administer and enforce this Section as of the

1 first day of September next following such adoption and  
2 filing. Beginning January 1, 1992, an ordinance or resolution  
3 imposing or discontinuing the tax hereunder or effecting a  
4 change in the rate thereof shall be adopted and a certified  
5 copy thereof filed with the Department on or before the first  
6 day of July, whereupon the Department shall proceed to  
7 administer and enforce this Section as of the first day of  
8 October next following such adoption and filing. Beginning  
9 January 1, 1993, an ordinance or resolution imposing or  
10 discontinuing the tax hereunder or effecting a change in the  
11 rate thereof shall be adopted and a certified copy thereof  
12 filed with the Department on or before the first day of  
13 October, whereupon the Department shall proceed to administer  
14 and enforce this Section as of the first day of January next  
15 following such adoption and filing. Beginning April 1, 1998,  
16 an ordinance or resolution imposing or discontinuing the tax  
17 hereunder or effecting a change in the rate thereof shall  
18 either (i) be adopted and a certified copy thereof filed with  
19 the Department on or before the first day of April, whereupon  
20 the Department shall proceed to administer and enforce this  
21 Section as of the first day of July next following the adoption  
22 and filing; or (ii) be adopted and a certified copy thereof  
23 filed with the Department on or before the first day of  
24 October, whereupon the Department shall proceed to administer  
25 and enforce this Section as of the first day of January next  
26 following the adoption and filing.

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

7           This Section shall be known and may be cited as the Home  
8 Rule County Retailers' Occupation Tax Law.

9           (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
10 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

11           (55 ILCS 5/5-1006.5)

12           Sec. 5-1006.5. Special County Retailers' Occupation Tax  
13 For Public Safety, Public Facilities, Mental Health, Substance  
14 Abuse, or Transportation.

15           (a) The county board of any county may impose a tax upon  
16 all persons engaged in the business of selling tangible  
17 personal property, other than personal property titled or  
18 registered with an agency of this State's government, at  
19 retail in the county on the gross receipts from the sales made  
20 in the course of business to provide revenue to be used  
21 exclusively for public safety, public facility, mental health,  
22 substance abuse, or transportation purposes in that county  
23 (except as otherwise provided in this Section), if a  
24 proposition for the tax has been submitted to the electors of  
25 that county and approved by a majority of those voting on the

1 question. If imposed, this tax shall be imposed only in  
2 one-quarter percent increments. By resolution, the county  
3 board may order the proposition to be submitted at any  
4 election. If the tax is imposed for transportation purposes  
5 for expenditures for public highways or as authorized under  
6 the Illinois Highway Code, the county board must publish  
7 notice of the existence of its long-range highway  
8 transportation plan as required or described in Section 5-301  
9 of the Illinois Highway Code and must make the plan publicly  
10 available prior to approval of the ordinance or resolution  
11 imposing the tax. If the tax is imposed for transportation  
12 purposes for expenditures for passenger rail transportation,  
13 the county board must publish notice of the existence of its  
14 long-range passenger rail transportation plan and must make  
15 the plan publicly available prior to approval of the ordinance  
16 or resolution imposing the tax.

17 If a tax is imposed for public facilities purposes, then  
18 the name of the project may be included in the proposition at  
19 the discretion of the county board as determined in the  
20 enabling resolution. For example, the "XXX Nursing Home" or  
21 the "YYY Museum".

22 The county clerk shall certify the question to the proper  
23 election authority, who shall submit the proposition at an  
24 election in accordance with the general election law.

25 (1) The proposition for public safety purposes shall  
26 be in substantially the following form:

1            "To pay for public safety purposes, shall (name of  
2 county) be authorized to impose an increase on its share  
3 of local sales taxes by (insert rate)?"

4            As additional information on the ballot below the  
5 question shall appear the following:

6            "This would mean that a consumer would pay an  
7 additional (insert amount) in sales tax for every \$100 of  
8 tangible personal property bought at retail."

9            The county board may also opt to establish a sunset  
10 provision at which time the additional sales tax would  
11 cease being collected, if not terminated earlier by a vote  
12 of the county board. If the county board votes to include a  
13 sunset provision, the proposition for public safety  
14 purposes shall be in substantially the following form:

15           "To pay for public safety purposes, shall (name of  
16 county) be authorized to impose an increase on its share  
17 of local sales taxes by (insert rate) for a period not to  
18 exceed (insert number of years)?"

19           As additional information on the ballot below the  
20 question shall appear the following:

21           "This would mean that a consumer would pay an  
22 additional (insert amount) in sales tax for every \$100 of  
23 tangible personal property bought at retail. If imposed,  
24 the additional tax would cease being collected at the end  
25 of (insert number of years), if not terminated earlier by  
26 a vote of the county board."

1           For the purposes of the paragraph, "public safety  
2 purposes" means crime prevention, detention, fire  
3 fighting, police, medical, ambulance, or other emergency  
4 services.

5           Votes shall be recorded as "Yes" or "No".

6           Beginning on the January 1 or July 1, whichever is  
7 first, that occurs not less than 30 days after May 31, 2015  
8 (the effective date of Public Act 99-4), Adams County may  
9 impose a public safety retailers' occupation tax and  
10 service occupation tax at the rate of 0.25%, as provided  
11 in the referendum approved by the voters on April 7, 2015,  
12 notwithstanding the omission of the additional information  
13 that is otherwise required to be printed on the ballot  
14 below the question pursuant to this item (1).

15           (2) The proposition for transportation purposes shall  
16 be in substantially the following form:

17           "To pay for improvements to roads and other  
18 transportation purposes, shall (name of county) be  
19 authorized to impose an increase on its share of local  
20 sales taxes by (insert rate)?"

21           As additional information on the ballot below the  
22 question shall appear the following:

23           "This would mean that a consumer would pay an  
24 additional (insert amount) in sales tax for every \$100 of  
25 tangible personal property bought at retail."

26           The county board may also opt to establish a sunset



1 provision at which time the additional sales tax would  
2 cease being collected, if not terminated earlier by a vote  
3 of the county board. If the county board votes to include a  
4 sunset provision, the proposition for transportation  
5 purposes shall be in substantially the following form:

6 "To pay for road improvements and other transportation  
7 purposes, shall (name of county) be authorized to impose  
8 an increase on its share of local sales taxes by (insert  
9 rate) for a period not to exceed (insert number of  
10 years)?"

11 As additional information on the ballot below the  
12 question shall appear the following:

13 "This would mean that a consumer would pay an  
14 additional (insert amount) in sales tax for every \$100 of  
15 tangible personal property bought at retail. If imposed,  
16 the additional tax would cease being collected at the end  
17 of (insert number of years), if not terminated earlier by  
18 a vote of the county board."

19 For the purposes of this paragraph, transportation  
20 purposes means construction, maintenance, operation, and  
21 improvement of public highways, any other purpose for  
22 which a county may expend funds under the Illinois Highway  
23 Code, and passenger rail transportation.

24 The votes shall be recorded as "Yes" or "No".

25 (3) The proposition for public facilities purposes  
26 shall be in substantially the following form:

1            "To pay for public facilities purposes, shall (name of  
2 county) be authorized to impose an increase on its share  
3 of local sales taxes by (insert rate)?"

4            As additional information on the ballot below the  
5 question shall appear the following:

6            "This would mean that a consumer would pay an  
7 additional (insert amount) in sales tax for every \$100 of  
8 tangible personal property bought at retail."

9            The county board may also opt to establish a sunset  
10 provision at which time the additional sales tax would  
11 cease being collected, if not terminated earlier by a vote  
12 of the county board. If the county board votes to include a  
13 sunset provision, the proposition for public facilities  
14 purposes shall be in substantially the following form:

15           "To pay for public facilities purposes, shall (name of  
16 county) be authorized to impose an increase on its share  
17 of local sales taxes by (insert rate) for a period not to  
18 exceed (insert number of years)?"

19           As additional information on the ballot below the  
20 question shall appear the following:

21           "This would mean that a consumer would pay an  
22 additional (insert amount) in sales tax for every \$100 of  
23 tangible personal property bought at retail. If imposed,  
24 the additional tax would cease being collected at the end  
25 of (insert number of years), if not terminated earlier by  
26 a vote of the county board."

1           For purposes of this Section, "public facilities  
2           purposes" means the acquisition, development,  
3           construction, reconstruction, rehabilitation,  
4           improvement, financing, architectural planning, and  
5           installation of capital facilities consisting of  
6           buildings, structures, and durable equipment and for the  
7           acquisition and improvement of real property and interest  
8           in real property required, or expected to be required, in  
9           connection with the public facilities, for use by the  
10          county for the furnishing of governmental services to its  
11          citizens, including, but not limited to, museums and  
12          nursing homes.

13           The votes shall be recorded as "Yes" or "No".

14           (4) The proposition for mental health purposes shall  
15          be in substantially the following form:

16           "To pay for mental health purposes, shall (name of  
17          county) be authorized to impose an increase on its share  
18          of local sales taxes by (insert rate)?"

19           As additional information on the ballot below the  
20          question shall appear the following:

21           "This would mean that a consumer would pay an  
22          additional (insert amount) in sales tax for every \$100 of  
23          tangible personal property bought at retail."

24           The county board may also opt to establish a sunset  
25          provision at which time the additional sales tax would  
26          cease being collected, if not terminated earlier by a vote

1 of the county board. If the county board votes to include a  
2 sunset provision, the proposition for public facilities  
3 purposes shall be in substantially the following form:

4 "To pay for mental health purposes, shall (name of  
5 county) be authorized to impose an increase on its share  
6 of local sales taxes by (insert rate) for a period not to  
7 exceed (insert number of years)?"

8 As additional information on the ballot below the  
9 question shall appear the following:

10 "This would mean that a consumer would pay an  
11 additional (insert amount) in sales tax for every \$100 of  
12 tangible personal property bought at retail. If imposed,  
13 the additional tax would cease being collected at the end  
14 of (insert number of years), if not terminated earlier by  
15 a vote of the county board."

16 The votes shall be recorded as "Yes" or "No".

17 (5) The proposition for substance abuse purposes shall  
18 be in substantially the following form:

19 "To pay for substance abuse purposes, shall (name of  
20 county) be authorized to impose an increase on its share  
21 of local sales taxes by (insert rate)?"

22 As additional information on the ballot below the  
23 question shall appear the following:

24 "This would mean that a consumer would pay an  
25 additional (insert amount) in sales tax for every \$100 of  
26 tangible personal property bought at retail."

1           The county board may also opt to establish a sunset  
2 provision at which time the additional sales tax would  
3 cease being collected, if not terminated earlier by a vote  
4 of the county board. If the county board votes to include a  
5 sunset provision, the proposition for public facilities  
6 purposes shall be in substantially the following form:

7           "To pay for substance abuse purposes, shall (name of  
8 county) be authorized to impose an increase on its share  
9 of local sales taxes by (insert rate) for a period not to  
10 exceed (insert number of years)?"

11           As additional information on the ballot below the  
12 question shall appear the following:

13           "This would mean that a consumer would pay an  
14 additional (insert amount) in sales tax for every \$100 of  
15 tangible personal property bought at retail. If imposed,  
16 the additional tax would cease being collected at the end  
17 of (insert number of years), if not terminated earlier by  
18 a vote of the county board."

19           The votes shall be recorded as "Yes" or "No".

20           If a majority of the electors voting on the proposition  
21 vote in favor of it, the county may impose the tax. A county  
22 may not submit more than one proposition authorized by this  
23 Section to the electors at any one time.

24           This additional tax may not be imposed on tangible  
25 personal property taxed at the 1% rate under the Retailers'  
26 Occupation Tax Act (or at the 0% rate imposed under this

1 amendatory Act of the 102nd General Assembly). Beginning  
2 December 1, 2019 and through December 31, 2020, this tax is not  
3 imposed on sales of aviation fuel unless the tax revenue is  
4 expended for airport-related purposes. If the county does not  
5 have an airport-related purpose to which it dedicates aviation  
6 fuel tax revenue, then aviation fuel is excluded from the tax.  
7 The county must comply with the certification requirements for  
8 airport-related purposes under Section 2-22 of the Retailers'  
9 Occupation Tax Act. For purposes of this Section,  
10 "airport-related purposes" has the meaning ascribed in Section  
11 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
12 this tax is not imposed on sales of aviation fuel for so long  
13 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
14 U.S.C. 47133 are binding on the county. The tax imposed by a  
15 county under this Section and all civil penalties that may be  
16 assessed as an incident of the tax shall be collected and  
17 enforced by the Illinois Department of Revenue and deposited  
18 into a special fund created for that purpose. The certificate  
19 of registration that is issued by the Department to a retailer  
20 under the Retailers' Occupation Tax Act shall permit the  
21 retailer to engage in a business that is taxable without  
22 registering separately with the Department under an ordinance  
23 or resolution under this Section. The Department has full  
24 power to administer and enforce this Section, to collect all  
25 taxes and penalties due under this Section, to dispose of  
26 taxes and penalties so collected in the manner provided in

1 this Section, and to determine all rights to credit memoranda  
2 arising on account of the erroneous payment of a tax or penalty  
3 under this Section. In the administration of and compliance  
4 with this Section, the Department and persons who are subject  
5 to this Section shall (i) have the same rights, remedies,  
6 privileges, immunities, powers, and duties, (ii) be subject to  
7 the same conditions, restrictions, limitations, penalties, and  
8 definitions of terms, and (iii) employ the same modes of  
9 procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e,  
10 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all  
11 provisions contained in those Sections other than the State  
12 rate of tax), 2a, 2b, 2c, 3 (except provisions relating to  
13 transaction returns and quarter monthly payments, and except  
14 that the retailer's discount is not allowed for taxes paid on  
15 aviation fuel that are deposited into the Local Government  
16 Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
17 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13  
18 of the Retailers' Occupation Tax Act and Section 3-7 of the  
19 Uniform Penalty and Interest Act as if those provisions were  
20 set forth in this Section.

21 Persons subject to any tax imposed under the authority  
22 granted in this Section may reimburse themselves for their  
23 sellers' tax liability by separately stating the tax as an  
24 additional charge, which charge may be stated in combination,  
25 in a single amount, with State tax which sellers are required  
26 to collect under the Use Tax Act, pursuant to such bracketed

1 schedules as the Department may prescribe.

2 Whenever the Department determines that a refund should be  
3 made under this Section to a claimant instead of issuing a  
4 credit memorandum, the Department shall notify the State  
5 Comptroller, who shall cause the order to be drawn for the  
6 amount specified and to the person named in the notification  
7 from the Department. The refund shall be paid by the State  
8 Treasurer out of the County Public Safety, Public Facilities,  
9 Mental Health, Substance Abuse, or Transportation Retailers'  
10 Occupation Tax Fund or the Local Government Aviation Trust  
11 Fund, as appropriate.

12 (b) If a tax has been imposed under subsection (a), a  
13 service occupation tax shall also be imposed at the same rate  
14 upon all persons engaged, in the county, in the business of  
15 making sales of service, who, as an incident to making those  
16 sales of service, transfer tangible personal property within  
17 the county as an incident to a sale of service. This tax may  
18 not be imposed on tangible personal property taxed at the 1%  
19 rate under the Service Occupation Tax Act (or at the 0% rate  
20 imposed under this amendatory Act of the 102nd General  
21 Assembly). Beginning December 1, 2019 and through December 31,  
22 2020, this tax is not imposed on sales of aviation fuel unless  
23 the tax revenue is expended for airport-related purposes. If  
24 the county does not have an airport-related purpose to which  
25 it dedicates aviation fuel tax revenue, then aviation fuel is  
26 excluded from the tax. The county must comply with the



1 certification requirements for airport-related purposes under  
2 Section 2-22 of the Retailers' Occupation Tax Act. For  
3 purposes of this Section, "airport-related purposes" has the  
4 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
5 Beginning January 1, 2021, this tax is not imposed on sales of  
6 aviation fuel for so long as the revenue use requirements of 49  
7 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.  
8 The tax imposed under this subsection and all civil penalties  
9 that may be assessed as an incident thereof shall be collected  
10 and enforced by the Department of Revenue. The Department has  
11 full power to administer and enforce this subsection; to  
12 collect all taxes and penalties due hereunder; to dispose of  
13 taxes and penalties so collected in the manner hereinafter  
14 provided; and to determine all rights to credit memoranda  
15 arising on account of the erroneous payment of tax or penalty  
16 hereunder. In the administration of and compliance with this  
17 subsection, the Department and persons who are subject to this  
18 paragraph shall (i) have the same rights, remedies,  
19 privileges, immunities, powers, and duties, (ii) be subject to  
20 the same conditions, restrictions, limitations, penalties,  
21 exclusions, exemptions, and definitions of terms, and (iii)  
22 employ the same modes of procedure as are prescribed in  
23 Sections 2 (except that the reference to State in the  
24 definition of supplier maintaining a place of business in this  
25 State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in  
26 respect to all provisions therein other than the State rate of

1 tax), 4 (except that the reference to the State shall be to the  
2 county), 5, 7, 8 (except that the jurisdiction to which the tax  
3 shall be a debt to the extent indicated in that Section 8 shall  
4 be the county), 9 (except as to the disposition of taxes and  
5 penalties collected, and except that the retailer's discount  
6 is not allowed for taxes paid on aviation fuel that are  
7 deposited into the Local Government Aviation Trust Fund), 10,  
8 11, 12 (except the reference therein to Section 2b of the  
9 Retailers' Occupation Tax Act), 13 (except that any reference  
10 to the State shall mean the county), Section 15, 16, 17, 18,  
11 19, and 20 of the Service Occupation Tax Act, and Section 3-7  
12 of the Uniform Penalty and Interest Act, as fully as if those  
13 provisions were set forth herein.

14 Persons subject to any tax imposed under the authority  
15 granted in this subsection may reimburse themselves for their  
16 serviceman's tax liability by separately stating the tax as an  
17 additional charge, which charge may be stated in combination,  
18 in a single amount, with State tax that servicemen are  
19 authorized to collect under the Service Use Tax Act, in  
20 accordance with such bracket schedules as the Department may  
21 prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this subsection to a claimant instead of issuing a  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the warrant to be drawn for the  
26 amount specified, and to the person named, in the notification

1 from the Department. The refund shall be paid by the State  
2 Treasurer out of the County Public Safety, Public Facilities,  
3 Mental Health, Substance Abuse, or Transportation Retailers'  
4 Occupation Fund or the Local Government Aviation Trust Fund,  
5 as appropriate.

6 Nothing in this subsection shall be construed to authorize  
7 the county to impose a tax upon the privilege of engaging in  
8 any business which under the Constitution of the United States  
9 may not be made the subject of taxation by the State.

10 (b-5) If, on January 1, 2025, a unit of local government  
11 has in effect a tax under this Section, or if, after January 1,  
12 2025, a unit of local government imposes a tax under this  
13 Section, then that tax applies to leases of tangible personal  
14 property in effect, entered into, or renewed on or after that  
15 date in the same manner as the tax under this Section and in  
16 accordance with the changes made by this amendatory Act of the  
17 103rd General Assembly.

18 (c) Except as otherwise provided in this paragraph, the  
19 Department shall immediately pay over to the State Treasurer,  
20 ex officio, as trustee, all taxes and penalties collected  
21 under this Section to be deposited into the County Public  
22 Safety, Public Facilities, Mental Health, Substance Abuse, or  
23 Transportation Retailers' Occupation Tax Fund, which shall be  
24 an unappropriated trust fund held outside of the State  
25 treasury. Taxes and penalties collected on aviation fuel sold  
26 on or after December 1, 2019 and through December 31, 2020,

1 shall be immediately paid over by the Department to the State  
2 Treasurer, ex officio, as trustee, for deposit into the Local  
3 Government Aviation Trust Fund. The Department shall only pay  
4 moneys into the Local Government Aviation Trust Fund under  
5 this Act for so long as the revenue use requirements of 49  
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

7 As soon as possible after the first day of each month,  
8 beginning January 1, 2011, upon certification of the  
9 Department of Revenue, the Comptroller shall order  
10 transferred, and the Treasurer shall transfer, to the STAR  
11 Bonds Revenue Fund the local sales tax increment, as defined  
12 in the Innovation Development and Economy Act, collected under  
13 this Section during the second preceding calendar month for  
14 sales within a STAR bond district.

15 After the monthly transfer to the STAR Bonds Revenue Fund,  
16 on or before the 25th day of each calendar month, the  
17 Department shall prepare and certify to the Comptroller the  
18 disbursement of stated sums of money to the counties from  
19 which retailers have paid taxes or penalties to the Department  
20 during the second preceding calendar month. The amount to be  
21 paid to each county, and deposited by the county into its  
22 special fund created for the purposes of this Section, shall  
23 be the amount (not including credit memoranda and not  
24 including taxes and penalties collected on aviation fuel sold  
25 on or after December 1, 2019 and through December 31, 2020)  
26 collected under this Section during the second preceding

1 calendar month by the Department plus an amount the Department  
2 determines is necessary to offset any amounts that were  
3 erroneously paid to a different taxing body, and not including  
4 (i) an amount equal to the amount of refunds made during the  
5 second preceding calendar month by the Department on behalf of  
6 the county, (ii) any amount that the Department determines is  
7 necessary to offset any amounts that were payable to a  
8 different taxing body but were erroneously paid to the county,  
9 (iii) any amounts that are transferred to the STAR Bonds  
10 Revenue Fund, and (iv) 1.5% of the remainder, which shall be  
11 transferred into the Tax Compliance and Administration Fund.  
12 The Department, at the time of each monthly disbursement to  
13 the counties, shall prepare and certify to the State  
14 Comptroller the amount to be transferred into the Tax  
15 Compliance and Administration Fund under this subsection.  
16 Within 10 days after receipt by the Comptroller of the  
17 disbursement certification to the counties and the Tax  
18 Compliance and Administration Fund provided for in this  
19 Section to 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 directions contained in  
22 the certification.

23 In addition to the disbursement required by the preceding  
24 paragraph, an allocation shall be made in March of each year to  
25 each county that received more than \$500,000 in disbursements  
26 under the preceding paragraph in the preceding calendar year.

1 The allocation shall be in an amount equal to the average  
2 monthly distribution made to each such county under the  
3 preceding paragraph during the preceding calendar year  
4 (excluding the 2 months of highest receipts). The distribution  
5 made in March of each year subsequent to the year in which an  
6 allocation was made pursuant to this paragraph and the  
7 preceding paragraph shall be reduced by the amount allocated  
8 and disbursed under this paragraph in the preceding calendar  
9 year. The Department shall prepare and certify to the  
10 Comptroller for disbursement the allocations made in  
11 accordance with this paragraph.

12 (d) For the purpose of determining the local governmental  
13 unit whose tax is applicable, a retail sale by a producer of  
14 coal or another mineral mined in Illinois is a sale at retail  
15 at the place where the coal or other mineral mined in Illinois  
16 is extracted from the earth. This paragraph does not apply to  
17 coal or another mineral when it is delivered or shipped by the  
18 seller to the purchaser at a point outside Illinois so that the  
19 sale is exempt under the United States Constitution as a sale  
20 in interstate or foreign commerce.

21 (e) Nothing in this Section shall be construed to  
22 authorize a county to impose a tax upon the privilege of  
23 engaging in any business that under the Constitution of the  
24 United States may not be made the subject of taxation by this  
25 State.

26 (e-5) If a county imposes a tax under this Section, the

1 county board may, by ordinance, discontinue or lower the rate  
2 of the tax. If the county board lowers the tax rate or  
3 discontinues the tax, a referendum must be held in accordance  
4 with subsection (a) of this Section in order to increase the  
5 rate of the tax or to reimpose the discontinued tax.

6 (f) Beginning April 1, 1998 and through December 31, 2013,  
7 the results of any election authorizing a proposition to  
8 impose a tax under this Section or effecting a change in the  
9 rate of tax, or any ordinance lowering the rate or  
10 discontinuing the tax, shall be certified by the county clerk  
11 and filed with the Illinois Department of Revenue either (i)  
12 on or before the first day of April, whereupon the Department  
13 shall proceed to administer and enforce the tax as of the first  
14 day of July next following the filing; or (ii) on or before the  
15 first day of October, whereupon the Department shall proceed  
16 to administer and enforce the tax as of the first day of  
17 January next following the filing.

18 Beginning January 1, 2014, the results of any election  
19 authorizing a proposition to impose a tax under this Section  
20 or effecting an increase in the rate of tax, along with the  
21 ordinance adopted to impose the tax or increase the rate of the  
22 tax, or any ordinance adopted to lower the rate or discontinue  
23 the tax, shall be certified by the county clerk and filed with  
24 the Illinois Department of Revenue either (i) on or before the  
25 first day of May, whereupon the Department shall proceed to  
26 administer and enforce the tax as of the first day of July next

1 following the adoption and filing; or (ii) on or before the  
2 first day of October, whereupon the Department shall proceed  
3 to administer and enforce the tax as of the first day of  
4 January next following the adoption and filing.

5 (g) When certifying the amount of a monthly disbursement  
6 to a county under this Section, the Department shall increase  
7 or decrease the amounts by an amount necessary to offset any  
8 miscalculation of previous disbursements. The offset amount  
9 shall be the amount erroneously disbursed within the previous  
10 6 months from the time a miscalculation is discovered.

11 (g-5) Every county authorized to levy a tax under this  
12 Section shall, before it levies such tax, establish a 7-member  
13 mental health board, which shall have the same powers and  
14 duties and be constituted in the same manner as a community  
15 mental health board established under the Community Mental  
16 Health Act. Proceeds of the tax under this Section that are  
17 earmarked for mental health or substance abuse purposes shall  
18 be deposited into a special county occupation tax fund for  
19 mental health and substance abuse. The 7-member mental health  
20 board established under this subsection shall administer the  
21 special county occupation tax fund for mental health and  
22 substance abuse in the same manner as the community mental  
23 health board administers the community mental health fund  
24 under the Community Mental Health Act.

25 (h) This Section may be cited as the "Special County  
26 Occupation Tax For Public Safety, Public Facilities, Mental



1 Health, Substance Abuse, or Transportation Law".

2 (i) For purposes of this Section, "public safety"  
3 includes, but is not limited to, crime prevention, detention,  
4 fire fighting, police, medical, ambulance, or other emergency  
5 services. The county may share tax proceeds received under  
6 this Section for public safety purposes, including proceeds  
7 received before August 4, 2009 (the effective date of Public  
8 Act 96-124), with any fire protection district located in the  
9 county. For the purposes of this Section, "transportation"  
10 includes, but is not limited to, the construction,  
11 maintenance, operation, and improvement of public highways,  
12 any other purpose for which a county may expend funds under the  
13 Illinois Highway Code, and passenger rail transportation. For  
14 the purposes of this Section, "public facilities purposes"  
15 includes, but is not limited to, the acquisition, development,  
16 construction, reconstruction, rehabilitation, improvement,  
17 financing, architectural planning, and installation of capital  
18 facilities consisting of buildings, structures, and durable  
19 equipment and for the acquisition and improvement of real  
20 property and interest in real property required, or expected  
21 to be required, in connection with the public facilities, for  
22 use by the county for the furnishing of governmental services  
23 to its citizens, including, but not limited to, museums and  
24 nursing homes.

25 (j) The Department may promulgate rules to implement  
26 Public Act 95-1002 only to the extent necessary to apply the

1 existing rules for the Special County Retailers' Occupation  
2 Tax for Public Safety to this new purpose for public  
3 facilities.

4 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
5 101-275, eff. 8-9-19; 101-604, eff. 12-13-19; 102-379, eff.  
6 1-1-22; 102-700, eff. 4-19-22.)

7 (55 ILCS 5/5-1006.7)

8 Sec. 5-1006.7. School facility and resources occupation  
9 taxes.

10 (a) In any county, a tax shall be imposed upon all persons  
11 engaged in the business of selling tangible personal property,  
12 other than personal property titled or registered with an  
13 agency of this State's government, at retail in the county on  
14 the gross receipts from the sales made in the course of  
15 business to provide revenue to be used exclusively for (i)  
16 school facility purposes (except as otherwise provided in this  
17 Section), (ii) school resource officers and mental health  
18 professionals, or (iii) school facility purposes, school  
19 resource officers, and mental health professionals if a  
20 proposition for the tax has been submitted to the electors of  
21 that county and approved by a majority of those voting on the  
22 question as provided in subsection (c). The tax under this  
23 Section shall be imposed only in one-quarter percent  
24 increments and may not exceed 1%.

25 This additional tax may not be imposed on tangible

1 personal property taxed at the 1% rate under the Retailers'  
2 Occupation Tax Act (or at the 0% rate imposed under Public Act  
3 102-700). Beginning December 1, 2019 and through December 31,  
4 2020, this tax is not imposed on sales of aviation fuel unless  
5 the tax revenue is expended for airport-related purposes. If  
6 the county does not have an airport-related purpose to which  
7 it dedicates aviation fuel tax revenue, then aviation fuel is  
8 excluded from the tax. The county must comply with the  
9 certification requirements for airport-related purposes under  
10 Section 2-22 of the Retailers' Occupation Tax Act. For  
11 purposes of this Section, "airport-related purposes" has the  
12 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
13 Beginning January 1, 2021, this tax is not imposed on sales of  
14 aviation fuel for so long as the revenue use requirements of 49  
15 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.  
16 The Department of Revenue has full power to administer and  
17 enforce this subsection, to collect all taxes and penalties  
18 due under this subsection, to dispose of taxes and penalties  
19 so collected in the manner provided in this subsection, and to  
20 determine all rights to credit memoranda arising on account of  
21 the erroneous payment of a tax or penalty under this  
22 subsection. The Department shall deposit all taxes and  
23 penalties collected under this subsection into a special fund  
24 created for that purpose.

25 In the administration of and compliance with this  
26 subsection, the Department and persons who are subject to this

1 subsection (i) have the same rights, remedies, privileges,  
2 immunities, powers, and duties, (ii) are subject to the same  
3 conditions, restrictions, limitations, penalties, and  
4 definitions of terms, and (iii) shall employ the same modes of  
5 procedure as are set forth in Sections 1 through 1o, 2 through  
6 2-70 (in respect to all provisions contained in those Sections  
7 other than the State rate of tax), 2a through 2h, 3 (except as  
8 to the disposition of taxes and penalties collected, and  
9 except that the retailer's discount is not allowed for taxes  
10 paid on aviation fuel that are subject to the revenue use  
11 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
12 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,  
13 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
14 Occupation Tax Act and all provisions of the Uniform Penalty  
15 and Interest Act as if those provisions were set forth in this  
16 subsection.

17 The certificate of registration that is issued by the  
18 Department to a retailer under the Retailers' Occupation Tax  
19 Act permits the retailer to engage in a business that is  
20 taxable without registering separately with the Department  
21 under an ordinance or resolution under this subsection.

22 Persons subject to any tax imposed under the authority  
23 granted in this subsection may reimburse themselves for their  
24 seller's tax liability by separately stating that tax as an  
25 additional charge, which may be stated in combination, in a  
26 single amount, with State tax that sellers are required to

1 collect under the Use Tax Act, pursuant to any bracketed  
2 schedules set forth by the Department.

3 (b) If a tax has been imposed under subsection (a), then a  
4 service occupation tax must also be imposed at the same rate  
5 upon all persons engaged, in the county, in the business of  
6 making sales of service, who, as an incident to making those  
7 sales of service, transfer tangible personal property within  
8 the county as an incident to a sale of service.

9 This tax may not be imposed on tangible personal property  
10 taxed at the 1% rate under the Service Occupation Tax Act (or  
11 at the 0% rate imposed under Public Act 102-700). Beginning  
12 December 1, 2019 and through December 31, 2020, this tax is not  
13 imposed on sales of aviation fuel unless the tax revenue is  
14 expended for airport-related purposes. If the county does not  
15 have an airport-related purpose to which it dedicates aviation  
16 fuel tax revenue, then aviation fuel is excluded from the tax.  
17 The county must comply with the certification requirements for  
18 airport-related purposes under Section 2-22 of the Retailers'  
19 Occupation Tax Act. For purposes of this Section,  
20 "airport-related purposes" has the meaning ascribed in Section  
21 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
22 this tax is not imposed on sales of aviation fuel for so long  
23 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
24 U.S.C. 47133 are binding on the county.

25 The tax imposed under this subsection and all civil  
26 penalties that may be assessed as an incident thereof shall be

1 collected and enforced by the Department and deposited into a  
2 special fund created for that purpose. The Department has full  
3 power to administer and enforce this subsection, to collect  
4 all taxes and penalties due under this subsection, to dispose  
5 of taxes and penalties so collected in the manner provided in  
6 this subsection, and to determine all rights to credit  
7 memoranda arising on account of the erroneous payment of a tax  
8 or penalty under this subsection.

9 In the administration of and compliance with this  
10 subsection, the Department and persons who are subject to this  
11 subsection shall (i) have the same rights, remedies,  
12 privileges, immunities, powers and duties, (ii) be subject to  
13 the same conditions, restrictions, limitations, penalties and  
14 definition of terms, and (iii) employ the same modes of  
15 procedure as are set forth in Sections 2 (except that that  
16 reference to State in the definition of supplier maintaining a  
17 place of business in this State means the county), 2a through  
18 2d, 3 through 3-50 (in respect to all provisions contained in  
19 those Sections other than the State rate of tax), 4 (except  
20 that the reference to the State shall be to the county), 5, 7,  
21 8 (except that the jurisdiction to which the tax is a debt to  
22 the extent indicated in that Section 8 is the county), 9  
23 (except as to the disposition of taxes and penalties  
24 collected, and except that the retailer's discount is not  
25 allowed for taxes paid on aviation fuel that are subject to the  
26 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.

1 47133), 10, 11, 12 (except the reference therein to Section 2b  
2 of the Retailers' Occupation Tax Act), 13 (except that any  
3 reference to the State means the county), 15, 16, 17, 18, 19,  
4 and 20 of the Service Occupation Tax Act and all provisions of  
5 the Uniform Penalty and Interest Act, as fully as if those  
6 provisions were set forth herein.

7 Persons subject to any tax imposed under the authority  
8 granted in this subsection may reimburse themselves for their  
9 serviceman's tax liability by separately stating the tax as an  
10 additional charge, which may be stated in combination, in a  
11 single amount, with State tax that servicemen are authorized  
12 to collect under the Service Use Tax Act, pursuant to any  
13 bracketed schedules set forth by the Department.

14 (b-5) If, on January 1, 2025, a unit of local government  
15 has in effect a tax under this Section, or if, after January 1,  
16 2025, a unit of local government imposes a tax under this  
17 Section, then that tax applies to leases of tangible personal  
18 property in effect, entered into, or renewed on or after that  
19 date in the same manner as the tax under this Section and in  
20 accordance with the changes made by this amendatory Act of the  
21 103rd General Assembly.

22 (c) The tax under this Section may not be imposed until the  
23 question of imposing the tax has been submitted to the  
24 electors of the county at a regular election and approved by a  
25 majority of the electors voting on the question. For all  
26 regular elections held prior to August 23, 2011 (the effective

1 date of Public Act 97-542), upon a resolution by the county  
2 board or a resolution by school district boards that represent  
3 at least 51% of the student enrollment within the county, the  
4 county board must certify the question to the proper election  
5 authority in accordance with the Election Code.

6 For all regular elections held prior to August 23, 2011  
7 (the effective date of Public Act 97-542), the election  
8 authority must submit the question in substantially the  
9 following form:

10 Shall (name of county) be authorized to impose a  
11 retailers' occupation tax and a service occupation tax  
12 (commonly referred to as a "sales tax") at a rate of  
13 (insert rate) to be used exclusively for school facility  
14 purposes?

15 The election authority must record the votes as "Yes" or  
16 "No".

17 If a majority of the electors voting on the question vote  
18 in the affirmative, then the county may, thereafter, impose  
19 the tax.

20 For all regular elections held on or after August 23, 2011  
21 (the effective date of Public Act 97-542), the regional  
22 superintendent of schools for the county must, upon receipt of  
23 a resolution or resolutions of school district boards that  
24 represent more than 50% of the student enrollment within the  
25 county, certify the question to the proper election authority  
26 for submission to the electors of the county at the next



1 regular election at which the question lawfully may be  
2 submitted to the electors, all in accordance with the Election  
3 Code.

4 For all regular elections held on or after August 23, 2011  
5 (the effective date of Public Act 97-542) and before August  
6 23, 2019 (the effective date of Public Act 101-455), the  
7 election authority must submit the question in substantially  
8 the following form:

9 Shall a retailers' occupation tax and a service  
10 occupation tax (commonly referred to as a "sales tax") be  
11 imposed in (name of county) at a rate of (insert rate) to  
12 be used exclusively for school facility purposes?

13 The election authority must record the votes as "Yes" or  
14 "No".

15 If a majority of the electors voting on the question vote  
16 in the affirmative, then the tax shall be imposed at the rate  
17 set forth in the question.

18 For all regular elections held on or after August 23, 2019  
19 (the effective date of Public Act 101-455), the election  
20 authority must submit the question as follows:

21 (1) If the referendum is to expand the use of revenues  
22 from a currently imposed tax exclusively for school  
23 facility purposes to include school resource officers and  
24 mental health professionals, the question shall be in  
25 substantially the following form:

26 In addition to school facility purposes, shall

1 (name of county) school districts be authorized to use  
2 revenues from the tax commonly referred to as the  
3 school facility sales tax that is currently imposed in  
4 (name of county) at a rate of (insert rate) for school  
5 resource officers and mental health professionals?

6 (2) If the referendum is to increase the rate of a tax  
7 currently imposed exclusively for school facility purposes  
8 at less than 1% and dedicate the additional revenues for  
9 school resource officers and mental health professionals,  
10 the question shall be in substantially the following form:

11 Shall the tax commonly referred to as the school  
12 facility sales tax that is currently imposed in (name  
13 of county) at the rate of (insert rate) be increased to  
14 a rate of (insert rate) with the additional revenues  
15 used exclusively for school resource officers and  
16 mental health professionals?

17 (3) If the referendum is to impose a tax in a county  
18 that has not previously imposed a tax under this Section  
19 exclusively for school facility purposes, the question  
20 shall be in substantially the following form:

21 Shall a retailers' occupation tax and a service  
22 occupation tax (commonly referred to as a sales tax)  
23 be imposed in (name of county) at a rate of (insert  
24 rate) to be used exclusively for school facility  
25 purposes?

26 (4) If the referendum is to impose a tax in a county

1 that has not previously imposed a tax under this Section  
2 exclusively for school resource officers and mental health  
3 professionals, the question shall be in substantially the  
4 following form:

5 Shall a retailers' occupation tax and a service  
6 occupation tax (commonly referred to as a sales tax)  
7 be imposed in (name of county) at a rate of (insert  
8 rate) to be used exclusively for school resource  
9 officers and mental health professionals?

10 (5) If the referendum is to impose a tax in a county  
11 that has not previously imposed a tax under this Section  
12 exclusively for school facility purposes, school resource  
13 officers, and mental health professionals, the question  
14 shall be in substantially the following form:

15 Shall a retailers' occupation tax and a service  
16 occupation tax (commonly referred to as a sales tax)  
17 be imposed in (name of county) at a rate of (insert  
18 rate) to be used exclusively for school facility  
19 purposes, school resource officers, and mental health  
20 professionals?

21 The election authority must record the votes as "Yes" or  
22 "No".

23 If a majority of the electors voting on the question vote  
24 in the affirmative, then the tax shall be imposed at the rate  
25 set forth in the question.

26 For the purposes of this subsection (c), "enrollment"

1 means the head count of the students residing in the county on  
2 the last school day of September of each year, which must be  
3 reported on the Illinois State Board of Education Public  
4 School Fall Enrollment/Housing Report.

5 (d) Except as otherwise provided, the Department shall  
6 immediately pay over to the State Treasurer, ex officio, as  
7 trustee, all taxes and penalties collected under this Section  
8 to be deposited into the School Facility Occupation Tax Fund,  
9 which shall be an unappropriated trust fund held outside the  
10 State treasury. Taxes and penalties collected on aviation fuel  
11 sold on or after December 1, 2019 and through December 31,  
12 2020, shall be immediately paid over by the Department to the  
13 State Treasurer, ex officio, as trustee, for deposit into the  
14 Local Government Aviation Trust Fund. The Department shall  
15 only pay moneys into the Local Government Aviation Trust Fund  
16 under this Section for so long as the revenue use requirements  
17 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
18 county.

19 On or before the 25th day of each calendar month, the  
20 Department shall prepare and certify to the Comptroller the  
21 disbursement of stated sums of money to the regional  
22 superintendents of schools in counties from which retailers or  
23 servicemen have paid taxes or penalties to the Department  
24 during the second preceding calendar month. The amount to be  
25 paid to each regional superintendent of schools and disbursed  
26 to him or her in accordance with Section 3-14.31 of the School

1 Code, is equal to the amount (not including credit memoranda  
2 and not including taxes and penalties collected on aviation  
3 fuel sold on or after December 1, 2019 and through December 31,  
4 2020) collected from the county under this Section during the  
5 second preceding calendar month by the Department, (i) less 2%  
6 of that amount (except the amount collected on aviation fuel  
7 sold on or after December 1, 2019 and through December 31,  
8 2020), of which 50% shall be deposited into the Tax Compliance  
9 and Administration Fund and shall be used by the Department,  
10 subject to appropriation, to cover the costs of the Department  
11 in administering and enforcing the provisions of this Section,  
12 on behalf of the county, and 50% shall be distributed to the  
13 regional superintendent of schools to cover the costs in  
14 administering and enforcing the provisions of this Section;  
15 (ii) plus an amount that the Department determines is  
16 necessary to offset any amounts that were erroneously paid to  
17 a different taxing body; (iii) less an amount equal to the  
18 amount of refunds made during the second preceding calendar  
19 month by the Department on behalf of the county; and (iv) less  
20 any amount that the Department determines is necessary to  
21 offset any amounts that were payable to a different taxing  
22 body but were erroneously paid to the county. When certifying  
23 the amount of a monthly disbursement to a regional  
24 superintendent of schools under this Section, the Department  
25 shall increase or decrease the amounts by an amount necessary  
26 to offset any miscalculation of previous disbursements within

1 the previous 6 months from the time a miscalculation is  
2 discovered.

3 Within 10 days after receipt by the Comptroller from the  
4 Department of the disbursement certification to the regional  
5 superintendents of the schools provided for in this Section,  
6 the Comptroller shall cause the orders to be drawn for the  
7 respective amounts in accordance with directions contained in  
8 the certification.

9 If the Department determines that a refund should be made  
10 under this Section to a claimant instead of issuing a credit  
11 memorandum, then the Department shall notify the Comptroller,  
12 who shall cause the order to be drawn for the amount specified  
13 and to the person named in the notification from the  
14 Department. The refund shall be paid by the Treasurer out of  
15 the School Facility Occupation Tax Fund or the Local  
16 Government Aviation Trust Fund, as appropriate.

17 (e) For the purposes of determining the local governmental  
18 unit whose tax is applicable, a retail sale by a producer of  
19 coal or another mineral mined in Illinois is a sale at retail  
20 at the place where the coal or other mineral mined in Illinois  
21 is extracted from the earth. This subsection does not apply to  
22 coal or another mineral when it is delivered or shipped by the  
23 seller to the purchaser at a point outside Illinois so that the  
24 sale is exempt under the United States Constitution as a sale  
25 in interstate or foreign commerce.

26 (f) Nothing in this Section may be construed to authorize

1 a tax to be imposed upon the privilege of engaging in any  
2 business that under the Constitution of the United States may  
3 not be made the subject of taxation by this State.

4 (g) If a county board imposes a tax under this Section  
5 pursuant to a referendum held before August 23, 2011 (the  
6 effective date of Public Act 97-542) at a rate below the rate  
7 set forth in the question approved by a majority of electors of  
8 that county voting on the question as provided in subsection  
9 (c), then the county board may, by ordinance, increase the  
10 rate of the tax up to the rate set forth in the question  
11 approved by a majority of electors of that county voting on the  
12 question as provided in subsection (c). If a county board  
13 imposes a tax under this Section pursuant to a referendum held  
14 before August 23, 2011 (the effective date of Public Act  
15 97-542), then the board may, by ordinance, discontinue or  
16 reduce the rate of the tax. If a tax is imposed under this  
17 Section pursuant to a referendum held on or after August 23,  
18 2011 (the effective date of Public Act 97-542) and before  
19 August 23, 2019 (the effective date of Public Act 101-455),  
20 then the county board may reduce or discontinue the tax, but  
21 only in accordance with subsection (h-5) of this Section. If a  
22 tax is imposed under this Section pursuant to a referendum  
23 held on or after August 23, 2019 (the effective date of Public  
24 Act 101-455), then the county board may reduce or discontinue  
25 the tax, but only in accordance with subsection (h-10). If,  
26 however, a school board issues bonds that are secured by the

1 proceeds of the tax under this Section, then the county board  
2 may not reduce the tax rate or discontinue the tax if that rate  
3 reduction or discontinuance would adversely affect the school  
4 board's ability to pay the principal and interest on those  
5 bonds as they become due or necessitate the extension of  
6 additional property taxes to pay the principal and interest on  
7 those bonds. If the county board reduces the tax rate or  
8 discontinues the tax, then a referendum must be held in  
9 accordance with subsection (c) of this Section in order to  
10 increase the rate of the tax or to reimpose the discontinued  
11 tax.

12       Until January 1, 2014, the results of any election that  
13 imposes, reduces, or discontinues a tax under this Section  
14 must be certified by the election authority, and any ordinance  
15 that increases or lowers the rate or discontinues the tax must  
16 be certified by the county clerk and, in each case, filed with  
17 the Illinois Department of Revenue either (i) on or before the  
18 first day of April, whereupon the Department shall proceed to  
19 administer and enforce the tax or change in the rate as of the  
20 first day of July next following the filing; or (ii) on or  
21 before the first day of October, whereupon the Department  
22 shall proceed to administer and enforce the tax or change in  
23 the rate as of the first day of January next following the  
24 filing.

25       Beginning January 1, 2014, the results of any election  
26 that imposes, reduces, or discontinues a tax under this



1 Section must be certified by the election authority, and any  
2 ordinance that increases or lowers the rate or discontinues  
3 the tax must be certified by the county clerk and, in each  
4 case, filed with the Illinois Department of Revenue either (i)  
5 on or before the first day of May, whereupon the Department  
6 shall proceed to administer and enforce the tax or change in  
7 the rate as of the first day of July next following the filing;  
8 or (ii) on or before the first day of October, whereupon the  
9 Department shall proceed to administer and enforce the tax or  
10 change in the rate as of the first day of January next  
11 following the filing.

12 (h) For purposes of this Section, "school facility  
13 purposes" means (i) the acquisition, development,  
14 construction, reconstruction, rehabilitation, improvement,  
15 financing, architectural planning, and installation of capital  
16 facilities consisting of buildings, structures, and durable  
17 equipment and for the acquisition and improvement of real  
18 property and interest in real property required, or expected  
19 to be required, in connection with the capital facilities and  
20 (ii) the payment of bonds or other obligations heretofore or  
21 hereafter issued, including bonds or other obligations  
22 heretofore or hereafter issued to refund or to continue to  
23 refund bonds or other obligations issued, for school facility  
24 purposes, provided that the taxes levied to pay those bonds  
25 are abated by the amount of the taxes imposed under this  
26 Section that are used to pay those bonds. "School facility

1 purposes" also includes fire prevention, safety, energy  
2 conservation, accessibility, school security, and specified  
3 repair purposes set forth under Section 17-2.11 of the School  
4 Code.

5 (h-5) A county board in a county where a tax has been  
6 imposed under this Section pursuant to a referendum held on or  
7 after August 23, 2011 (the effective date of Public Act  
8 97-542) and before August 23, 2019 (the effective date of  
9 Public Act 101-455) may, by ordinance or resolution, submit to  
10 the voters of the county the question of reducing or  
11 discontinuing the tax. In the ordinance or resolution, the  
12 county board shall certify the question to the proper election  
13 authority in accordance with the Election Code. The election  
14 authority must submit the question in substantially the  
15 following form:

16 Shall the school facility retailers' occupation tax  
17 and service occupation tax (commonly referred to as the  
18 "school facility sales tax") currently imposed in (name of  
19 county) at a rate of (insert rate) be (reduced to (insert  
20 rate)) (discontinued)?

21 If a majority of the electors voting on the question vote in  
22 the affirmative, then, subject to the provisions of subsection  
23 (g) of this Section, the tax shall be reduced or discontinued  
24 as set forth in the question.

25 (h-10) A county board in a county where a tax has been  
26 imposed under this Section pursuant to a referendum held on or

1 after August 23, 2019 (the effective date of Public Act  
2 101-455) may, by ordinance or resolution, submit to the voters  
3 of the county the question of reducing or discontinuing the  
4 tax. In the ordinance or resolution, the county board shall  
5 certify the question to the proper election authority in  
6 accordance with the Election Code. The election authority must  
7 submit the question in substantially the following form:

8           Shall the school facility and resources retailers'  
9           occupation tax and service occupation tax (commonly  
10           referred to as the school facility and resources sales  
11           tax) currently imposed in (name of county) at a rate of  
12           (insert rate) be (reduced to (insert rate))  
13           (discontinued)?

14           The election authority must record the votes as "Yes" or  
15           "No".

16           If a majority of the electors voting on the question vote  
17           in the affirmative, then, subject to the provisions of  
18           subsection (g) of this Section, the tax shall be reduced or  
19           discontinued as set forth in the question.

20           (i) This Section does not apply to Cook County.

21           (j) This Section may be cited as the County School  
22           Facility and Resources Occupation Tax Law.

23           (Source: P.A. 102-700, eff. 4-19-22; 102-1062, eff. 7-1-22;  
24           103-154, eff. 6-30-23.)

25           (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

1           Sec. 5-1007. Home Rule County Service Occupation Tax Law.  
2           The corporate authorities of a home rule county may impose a  
3           tax upon all persons engaged, in such county, in the business  
4           of making sales of service at the same rate of tax imposed  
5           pursuant to Section 5-1006 of the selling price of all  
6           tangible personal property transferred by such servicemen  
7           either in the form of tangible personal property or in the form  
8           of real estate as an incident to a sale of service. If imposed,  
9           such tax shall only be imposed in 1/4% increments. On and after  
10          September 1, 1991, this additional tax may not be imposed on  
11          tangible personal property taxed at the 1% rate under the  
12          Service Occupation Tax Act (or at the 0% rate imposed under  
13          this amendatory Act of the 102nd General Assembly). Beginning  
14          December 1, 2019, this tax is not imposed on sales of aviation  
15          fuel unless the tax revenue is expended for airport-related  
16          purposes. If the county does not have an airport-related  
17          purpose to which it dedicates aviation fuel tax revenue, then  
18          aviation fuel is excluded from the tax. The county must comply  
19          with the certification requirements for airport-related  
20          purposes under Section 2-22 of the Retailers' Occupation Tax  
21          Act. For purposes of this Section, "airport-related purposes"  
22          has the meaning ascribed in Section 6z-20.2 of the State  
23          Finance Act. This exclusion for aviation fuel only applies for  
24          so long as the revenue use requirements of 49 U.S.C. 47107(b)  
25          and 49 U.S.C. 47133 are binding on the county. The changes made  
26          to this Section by this amendatory Act of the 101st General

1 Assembly are a denial and limitation of home rule powers and  
2 functions under subsection (g) of Section 6 of Article VII of  
3 the Illinois Constitution. The tax imposed by a home rule  
4 county pursuant to this Section and all civil penalties that  
5 may be assessed as an incident thereof shall be collected and  
6 enforced by the State Department of Revenue. The certificate  
7 of registration which is issued by the Department to a  
8 retailer under the Retailers' Occupation Tax Act or under the  
9 Service Occupation Tax Act shall permit such registrant to  
10 engage in a business which is taxable under any ordinance or  
11 resolution enacted pursuant to this Section without  
12 registering separately with the Department under such  
13 ordinance or resolution or under this Section. The Department  
14 shall have full power to administer and enforce this Section;  
15 to collect all taxes and penalties due hereunder; to dispose  
16 of taxes and penalties so collected in the manner hereinafter  
17 provided; and to determine all rights to credit memoranda  
18 arising on account of the erroneous payment of tax or penalty  
19 hereunder. In the administration of, and compliance with, this  
20 Section the Department and persons who are subject to this  
21 Section shall have the same rights, remedies, privileges,  
22 immunities, powers and duties, and be subject to the same  
23 conditions, restrictions, limitations, penalties and  
24 definitions of terms, and employ the same modes of procedure,  
25 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
26 respect to all provisions therein other than the State rate of

1 tax), 4 (except that the reference to the State shall be to the  
2 taxing county), 5, 7, 8 (except that the jurisdiction to which  
3 the tax shall be a debt to the extent indicated in that Section  
4 8 shall be the taxing county), 9 (except as to the disposition  
5 of taxes and penalties collected, and except that the returned  
6 merchandise credit for this county tax may not be taken  
7 against any State tax, and except that the retailer's discount  
8 is not allowed for taxes paid on aviation fuel that are subject  
9 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
10 U.S.C. 47133), 10, 11, 12 (except the reference therein to  
11 Section 2b of the Retailers' Occupation Tax Act), 13 (except  
12 that any reference to the State shall mean the taxing county),  
13 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the  
14 Service Occupation Tax Act and Section 3-7 of the Uniform  
15 Penalty and Interest Act, as fully as if those provisions were  
16 set forth herein.

17 No tax may be imposed by a home rule county pursuant to  
18 this Section unless such county also imposes a tax at the same  
19 rate pursuant to Section 5-1006.

20 If, on January 1, 2025, a unit of local government has in  
21 effect a tax under this Section, or if, after January 1, 2025,  
22 a unit of local government imposes a tax under this Section,  
23 then that tax applies to leases of tangible personal property  
24 in effect, entered into, or renewed on or after that date in  
25 the same manner as the tax under this Section and in accordance  
26 with the changes made by this amendatory Act of the 103rd

1 General Assembly.

2       Persons subject to any tax imposed pursuant to the  
3 authority granted in this Section may reimburse themselves for  
4 their serviceman's tax liability hereunder by separately  
5 stating such tax as an additional charge, which charge may be  
6 stated in combination, in a single amount, with State tax  
7 which servicemen are authorized to collect under the Service  
8 Use Tax Act, pursuant to such bracket schedules as the  
9 Department may prescribe.

10       Whenever the Department determines that a refund should be  
11 made under this Section to a claimant instead of issuing  
12 credit memorandum, the Department shall notify the State  
13 Comptroller, who shall cause the order to be drawn for the  
14 amount specified, and to the person named, in such  
15 notification from the Department. Such refund shall be paid by  
16 the State Treasurer out of the home rule county retailers'  
17 occupation tax fund or the Local Government Aviation Trust  
18 Fund, as appropriate.

19       Except as otherwise provided in this paragraph, the  
20 Department shall forthwith pay over to the State Treasurer, ex  
21 officio, as trustee, all taxes and penalties collected  
22 hereunder for deposit into the Home Rule County Retailers'  
23 Occupation Tax Fund. Taxes and penalties collected on aviation  
24 fuel sold on or after December 1, 2019, shall be immediately  
25 paid over by the Department to the State Treasurer, ex  
26 officio, as trustee, for deposit into the Local Government

1 Aviation Trust Fund. The Department shall only pay moneys into  
2 the Local Government Aviation Trust Fund under this Section  
3 for so long as the revenue use requirements of 49 U.S.C.  
4 47107(b) and 49 U.S.C. 47133 are binding on the county.

5 As soon as possible after the first day of each month,  
6 beginning January 1, 2011, upon certification of the  
7 Department of Revenue, the Comptroller shall order  
8 transferred, and the Treasurer shall transfer, to the STAR  
9 Bonds Revenue Fund the local sales tax increment, as defined  
10 in the Innovation Development and Economy Act, collected under  
11 this Section during the second preceding calendar month for  
12 sales within a STAR bond district.

13 After the monthly transfer to the STAR Bonds Revenue Fund,  
14 on or before the 25th day of each calendar month, the  
15 Department shall prepare and certify to the Comptroller the  
16 disbursement of stated sums of money to named counties, the  
17 counties to be those from which suppliers and servicemen have  
18 paid taxes or penalties hereunder to the Department during the  
19 second preceding calendar month. The amount to be paid to each  
20 county shall be the amount (not including credit memoranda and  
21 not including taxes and penalties collected on aviation fuel  
22 sold on or after December 1, 2019) collected hereunder during  
23 the second preceding calendar month by the Department, and not  
24 including an amount equal to the amount of refunds made during  
25 the second preceding calendar month by the Department on  
26 behalf of such county, and not including any amounts that are



1 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
2 remainder, which the Department shall transfer into the Tax  
3 Compliance and Administration Fund. The Department, at the  
4 time of each monthly disbursement to the counties, shall  
5 prepare and certify to the State Comptroller the amount to be  
6 transferred into the Tax Compliance and Administration Fund  
7 under this Section. Within 10 days after receipt, by the  
8 Comptroller, of the disbursement certification to the counties  
9 and the Tax Compliance and Administration Fund provided for in  
10 this Section to be given to the Comptroller by the Department,  
11 the Comptroller shall cause the orders to be drawn for the  
12 respective amounts in accordance with the directions contained  
13 in such certification.

14 In addition to the disbursement required by the preceding  
15 paragraph, an allocation shall be made in each year to each  
16 county which received more than \$500,000 in disbursements  
17 under the preceding paragraph in the preceding calendar year.  
18 The allocation shall be in an amount equal to the average  
19 monthly distribution made to each such county under the  
20 preceding paragraph during the preceding calendar year  
21 (excluding the 2 months of highest receipts). The distribution  
22 made in March of each year subsequent to the year in which an  
23 allocation was made pursuant to this paragraph and the  
24 preceding paragraph shall be reduced by the amount allocated  
25 and disbursed under this paragraph in the preceding calendar  
26 year. The Department shall prepare and certify to the

1 Comptroller for disbursement the allocations made in  
2 accordance with this paragraph.

3 Nothing in this Section shall be construed to authorize a  
4 county to impose a tax upon the privilege of engaging in any  
5 business which under the Constitution of the United States may  
6 not be made the subject of taxation by this State.

7 An ordinance or resolution imposing or discontinuing a tax  
8 hereunder or effecting a change in the rate thereof shall be  
9 adopted and a certified copy thereof filed with the Department  
10 on or before the first day of June, whereupon the Department  
11 shall proceed to administer and enforce this Section as of the  
12 first day of September next following such adoption and  
13 filing. Beginning January 1, 1992, an ordinance or resolution  
14 imposing or discontinuing the tax hereunder or effecting a  
15 change in the rate thereof shall be adopted and a certified  
16 copy thereof filed with the Department on or before the first  
17 day of July, whereupon the Department shall proceed to  
18 administer and enforce this Section as of the first day of  
19 October next following such adoption and filing. Beginning  
20 January 1, 1993, an ordinance or resolution imposing or  
21 discontinuing the tax hereunder or effecting a change in the  
22 rate thereof shall be adopted and a certified copy thereof  
23 filed with the Department on or before the first day of  
24 October, whereupon the Department shall proceed to administer  
25 and enforce this Section as of the first day of January next  
26 following such adoption and filing. Beginning April 1, 1998,

1 an ordinance or resolution imposing or discontinuing the tax  
2 hereunder or effecting a change in the rate thereof shall  
3 either (i) be adopted and a certified copy thereof filed with  
4 the Department on or before the first day of April, whereupon  
5 the Department shall proceed to administer and enforce this  
6 Section as of the first day of July next following the adoption  
7 and filing; or (ii) be adopted and a certified copy thereof  
8 filed with the Department on or before the first day of  
9 October, whereupon the Department shall proceed to administer  
10 and enforce this Section as of the first day of January next  
11 following the adoption and filing.

12 This Section shall be known and may be cited as the Home  
13 Rule County Service Occupation Tax Law.

14 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
15 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

16 (55 ILCS 5/5-1008.5)

17 Sec. 5-1008.5. Use and occupation taxes.

18 (a) The Rock Island County Board may adopt a resolution  
19 that authorizes a referendum on the question of whether the  
20 county shall be authorized to impose a retailers' occupation  
21 tax, a service occupation tax, and a use tax at a rate of 1/4  
22 of 1% on behalf of the economic development activities of Rock  
23 Island County and communities located within the county. The  
24 county board shall certify the question to the proper election  
25 authorities who shall submit the question to the voters of the

1 county at the next regularly scheduled election in accordance  
2 with the general election law. The question shall be in  
3 substantially the following form:

4 Shall Rock Island County be authorized to impose a  
5 retailers' occupation tax, a service occupation tax, and a  
6 use tax at the rate of 1/4 of 1% for the sole purpose of  
7 economic development activities, including creation and  
8 retention of job opportunities, support of affordable  
9 housing opportunities, and enhancement of quality of life  
10 improvements?

11 Votes shall be recorded as "yes" or "no". If a majority of  
12 all votes cast on the proposition are in favor of the  
13 proposition, the county is authorized to impose the tax.

14 (b) The county shall impose the retailers' occupation tax  
15 upon all persons engaged in the business of selling tangible  
16 personal property at retail in the county, at the rate  
17 approved by referendum, on the gross receipts from the sales  
18 made in the course of those businesses within the county. This  
19 additional tax may not be imposed on tangible personal  
20 property taxed at the 1% rate under the Retailers' Occupation  
21 Tax Act. Beginning December 1, 2019, this tax is not imposed on  
22 sales of aviation fuel unless the tax revenue is expended for  
23 airport-related purposes. If the county does not have an  
24 airport-related purpose to which it dedicates aviation fuel  
25 tax revenue, then aviation fuel is excluded from the tax. The  
26 county must comply with the certification requirements for

1 airport-related purposes under Section 2-22 of the Retailers'  
2 Occupation Tax Act. For purposes of this Section,  
3 "airport-related purposes" has the meaning ascribed in Section  
4 6z-20.2 of the State Finance Act. This exclusion for aviation  
5 fuel only applies for so long as the revenue use requirements  
6 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
7 county. The tax imposed under this Section and all civil  
8 penalties that may be assessed as an incident of the tax shall  
9 be collected and enforced by the Department of Revenue. The  
10 Department has full power to administer and enforce this  
11 Section; to collect all taxes and penalties so collected in  
12 the manner provided in this Section; and to determine all  
13 rights to credit memoranda arising on account of the erroneous  
14 payment of tax or penalty under this Section. In the  
15 administration of, and compliance with, this Section, the  
16 Department and persons who are subject to this Section shall  
17 (i) have the same rights, remedies, privileges, immunities,  
18 powers and duties, (ii) be subject to the same conditions,  
19 restrictions, limitations, penalties, exclusions, exemptions,  
20 and definitions of terms, and (iii) employ the same modes of  
21 procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
22 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to  
23 all provisions other than the State rate of tax), 2-15 through  
24 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and  
25 penalties collected and provisions related to quarter monthly  
26 payments, and except that the retailer's discount is not

1 allowed for taxes paid on aviation fuel that are subject to the  
2 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
3 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,  
4 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
5 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
6 Interest Act, as fully as if those provisions were set forth in  
7 this subsection.

8 Persons subject to any tax imposed under this subsection  
9 may reimburse themselves for their seller's tax liability by  
10 separately stating the tax as an additional charge, which  
11 charge may be stated in combination, in a single amount, with  
12 State taxes that sellers are required to collect, in  
13 accordance with bracket schedules prescribed by the  
14 Department.

15 Whenever the Department determines that a refund should be  
16 made under this subsection to a claimant instead of issuing a  
17 credit memorandum, the Department shall notify the State  
18 Comptroller, who shall cause the warrant to be drawn for the  
19 amount specified, and to the person named, in the notification  
20 from the Department. The refund shall be paid by the State  
21 Treasurer out of the tax fund referenced under paragraph (g)  
22 of this Section or the Local Government Aviation Trust Fund,  
23 as appropriate.

24 If a tax is imposed under this subsection (b), a tax shall  
25 also be imposed at the same rate under subsections (c) and (d)  
26 of this Section.

1 For the purpose of determining whether a tax authorized  
2 under this Section is applicable, a retail sale, by a producer  
3 of coal or another mineral mined in Illinois, is a sale at  
4 retail at the place where the coal or other mineral mined in  
5 Illinois is extracted from the earth. This paragraph does not  
6 apply to coal or another mineral when it is delivered or  
7 shipped by the seller to the purchaser at a point outside  
8 Illinois so that the sale is exempt under the federal  
9 Constitution as a sale in interstate or foreign commerce.

10 Nothing in this Section shall be construed to authorize  
11 the county to impose a tax upon the privilege of engaging in  
12 any business that under the Constitution of the United States  
13 may not be made the subject of taxation by this State.

14 (c) If a tax has been imposed under subsection (b), a  
15 service occupation tax shall also be imposed at the same rate  
16 upon all persons engaged, in the county, in the business of  
17 making sales of service, who, as an incident to making those  
18 sales of service, transfer tangible personal property within  
19 the county as an incident to a sale of service. This additional  
20 tax may not be imposed on tangible personal property taxed at  
21 the 1% rate under the Service Occupation Tax Act. Beginning  
22 December 1, 2019, this tax is not imposed on sales of aviation  
23 fuel unless the tax revenue is expended for airport-related  
24 purposes. If the county does not have an airport-related  
25 purpose to which it dedicates aviation fuel tax revenue, then  
26 aviation fuel is excluded from the tax. The county must comply

1 with the certification requirements for airport-related  
2 purposes under Section 2-22 of the Retailers' Occupation Tax  
3 Act. For purposes of this Section, "airport-related purposes"  
4 has the meaning ascribed in Section 6z-20.2 of the State  
5 Finance Act. This exclusion for aviation fuel only applies for  
6 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
7 and 49 U.S.C. 47133 are binding on the county. The tax imposed  
8 under this subsection and all civil penalties that may be  
9 assessed as an incident of the tax shall be collected and  
10 enforced by the Department of Revenue. The Department has full  
11 power to administer and enforce this paragraph; to collect all  
12 taxes and penalties due under this Section; to dispose of  
13 taxes and penalties so collected in the manner provided in  
14 this Section; and to determine all rights to credit memoranda  
15 arising on account of the erroneous payment of tax or penalty  
16 under this Section. In the administration of, and compliance  
17 with this paragraph, the Department and persons who are  
18 subject to this paragraph shall (i) have the same rights,  
19 remedies, privileges, immunities, powers, and duties, (ii) be  
20 subject to the same conditions, restrictions, limitations,  
21 penalties, exclusions, exemptions, and definitions of terms,  
22 and (iii) employ the same modes of procedure as are prescribed  
23 in Sections 2 (except that the reference to State in the  
24 definition of supplier maintaining a place of business in this  
25 State shall mean the county), 2a, 2b, 3 through 3-55 (in  
26 respect to all provisions other than the State rate of tax), 4



1 (except that the reference to the State shall be to the  
2 county), 5, 7, 8 (except that the jurisdiction to which the tax  
3 shall be a debt to the extent indicated in that Section 8 shall  
4 be the county), 9 (except as to the disposition of taxes and  
5 penalties collected, and except that the returned merchandise  
6 credit for this tax may not be taken against any State tax, and  
7 except that the retailer's discount is not allowed for taxes  
8 paid on aviation fuel that are subject to the revenue use  
9 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 11,  
10 12 (except the reference to Section 2b of the Retailers'  
11 Occupation Tax Act), 13 (except that any reference to the  
12 State shall mean the county), 15, 16, 17, 18, 19 and 20 of the  
13 Service Occupation Tax Act and Section 3-7 of the Uniform  
14 Penalty and Interest Act, as fully as if those provisions were  
15 set forth in this subsection.

16 Persons subject to any tax imposed under the authority  
17 granted in this subsection may reimburse themselves for their  
18 serviceman's tax liability by separately stating the tax as an  
19 additional charge, which charge may be stated in combination,  
20 in a single amount, with State tax that servicemen are  
21 authorized to collect under the Service Use Tax Act, in  
22 accordance with bracket schedules prescribed by the  
23 Department.

24 Whenever the Department determines that a refund should be  
25 made under this subsection to a claimant instead of issuing a  
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the warrant to be drawn for the  
2 amount specified, and to the person named, in the notification  
3 from the Department. The refund shall be paid by the State  
4 Treasurer out of the tax fund referenced under paragraph (g)  
5 of this Section or the Local Government Aviation Trust Fund,  
6 as appropriate.

7 Nothing in this paragraph shall be construed to authorize  
8 the county to impose a tax upon the privilege of engaging in  
9 any business that under the Constitution of the United States  
10 may not be made the subject of taxation by the State.

11 (c-5) If, on January 1, 2025, a unit of local government  
12 has in effect a tax under this Section, or if, after January 1,  
13 2025, a unit of local government imposes a tax under this  
14 Section, then that tax applies to leases of tangible personal  
15 property in effect, entered into, or renewed on or after that  
16 date in the same manner as the tax under this Section and in  
17 accordance with the changes made by this amendatory Act of the  
18 103rd General Assembly.

19 (d) If a tax has been imposed under subsection (b), a use  
20 tax shall also be imposed at the same rate upon the privilege  
21 of using, in the county, any item of tangible personal  
22 property that is purchased outside the county at retail from a  
23 retailer, and that is titled or registered at a location  
24 within the county with an agency of this State's government.  
25 "Selling price" is defined as in the Use Tax Act. The tax shall  
26 be collected from persons whose Illinois address for titling

1 or registration purposes is given as being in the county. The  
2 tax shall be collected by the Department of Revenue for the  
3 county. The tax must be paid to the State, or an exemption  
4 determination must be obtained from the Department of Revenue,  
5 before the title or certificate of registration for the  
6 property may be issued. The tax or proof of exemption may be  
7 transmitted to the Department by way of the State agency with  
8 which, or the State officer with whom, the tangible personal  
9 property must be titled or registered if the Department and  
10 the State agency or State officer determine that this  
11 procedure will expedite the processing of applications for  
12 title or registration.

13 The Department has full power to administer and enforce  
14 this paragraph; to collect all taxes, penalties, and interest  
15 due under this Section; to dispose of taxes, penalties, and  
16 interest so collected in the manner provided in this Section;  
17 and to determine all rights to credit memoranda or refunds  
18 arising on account of the erroneous payment of tax, penalty,  
19 or interest under this Section. In the administration of, and  
20 compliance with, this subsection, the Department and persons  
21 who are subject to this paragraph shall (i) have the same  
22 rights, remedies, privileges, immunities, powers, and duties,  
23 (ii) be subject to the same conditions, restrictions,  
24 limitations, penalties, exclusions, exemptions, and  
25 definitions of terms, and (iii) employ the same modes of  
26 procedure as are prescribed in Sections 2 (except the

1 definition of "retailer maintaining a place of business in  
2 this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a,  
3 4, 6, 7, 8 (except that the jurisdiction to which the tax shall  
4 be a debt to the extent indicated in that Section 8 shall be  
5 the county), 9 (except provisions relating to quarter monthly  
6 payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22  
7 of the Use Tax Act and Section 3-7 of the Uniform Penalty and  
8 Interest Act, that are not inconsistent with this paragraph,  
9 as fully as if those provisions were set forth in this  
10 subsection.

11 Whenever the Department determines that a refund should be  
12 made under this subsection to a claimant instead of issuing a  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the order to be drawn for the  
15 amount specified, and to the person named, in the notification  
16 from the Department. The refund shall be paid by the State  
17 Treasurer out of the tax fund referenced under paragraph (g)  
18 of this Section.

19 (e) A certificate of registration issued by the State  
20 Department of Revenue to a retailer under the Retailers'  
21 Occupation Tax Act or under the Service Occupation Tax Act  
22 shall permit the registrant to engage in a business that is  
23 taxed under the tax imposed under paragraphs (b), (c), or (d)  
24 of this Section and no additional registration shall be  
25 required. A certificate issued under the Use Tax Act or the  
26 Service Use Tax Act shall be applicable with regard to any tax

1 imposed under paragraph (c) of this Section.

2 (f) The results of any election authorizing a proposition  
3 to impose a tax under this Section or effecting a change in the  
4 rate of tax shall be certified by the proper election  
5 authorities and filed with the Illinois Department on or  
6 before the first day of October. In addition, an ordinance  
7 imposing, discontinuing, or effecting a change in the rate of  
8 tax under this Section shall be adopted and a certified copy of  
9 the ordinance filed with the Department on or before the first  
10 day of October. After proper receipt of the certifications,  
11 the Department shall proceed to administer and enforce this  
12 Section as of the first day of January next following the  
13 adoption and filing.

14 (g) Except as otherwise provided in paragraph (g-2), the  
15 Department of Revenue shall, upon collecting any taxes and  
16 penalties as provided in this Section, pay the taxes and  
17 penalties over to the State Treasurer as trustee for the  
18 county. The taxes and penalties shall be held in a trust fund  
19 outside the State Treasury. On or before the 25th day of each  
20 calendar month, the Department of Revenue shall prepare and  
21 certify to the Comptroller of the State of Illinois the amount  
22 to be paid to the county, which shall be the balance in the  
23 fund, less any amount determined by the Department to be  
24 necessary for the payment of refunds. Within 10 days after  
25 receipt by the Comptroller of the certification of the amount  
26 to be paid to the county, the Comptroller shall cause an order

1 to be drawn for payment for the amount in accordance with the  
2 directions contained in the certification. Amounts received  
3 from the tax imposed under this Section shall be used only for  
4 the economic development activities of the county and  
5 communities located within the county.

6 (g-2) Taxes and penalties collected on aviation fuel sold  
7 on or after December 1, 2019, shall be immediately paid over by  
8 the Department to the State Treasurer, ex officio, as trustee,  
9 for deposit into the Local Government Aviation Trust Fund. The  
10 Department shall only pay moneys into the Local Government  
11 Aviation Trust Fund under this Section for so long as the  
12 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
13 47133 are binding on the county.

14 (h) When certifying the amount of a monthly disbursement  
15 to the county under this Section, the Department shall  
16 increase or decrease the amounts by an amount necessary to  
17 offset any miscalculation of previous disbursements. The  
18 offset amount shall be the amount erroneously disbursed within  
19 the previous 6 months from the time a miscalculation is  
20 discovered.

21 (i) This Section may be cited as the Rock Island County Use  
22 and Occupation Tax Law.

23 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
24 101-604, eff. 12-13-19.)

25 Section 75-35. The Illinois Municipal Code is amended by

1 changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,  
2 8-11-1.7, and 11-74.3-6 as follows:

3 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

4 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax  
5 Act. The corporate authorities of a home rule municipality may  
6 impose a tax upon all persons engaged in the business of  
7 selling tangible personal property, other than an item of  
8 tangible personal property titled or registered with an agency  
9 of this State's government, at retail in the municipality on  
10 the gross receipts from these sales made in the course of such  
11 business. If imposed, the tax shall only be imposed in 1/4%  
12 increments. On and after September 1, 1991, this additional  
13 tax may not be imposed on tangible personal property taxed at  
14 the 1% rate under the Retailers' Occupation Tax Act (or at the  
15 0% rate imposed under this amendatory Act of the 102nd General  
16 Assembly). Beginning December 1, 2019, this tax is not imposed  
17 on sales of aviation fuel unless the tax revenue is expended  
18 for airport-related purposes. If a municipality does not have  
19 an airport-related purpose to which it dedicates aviation fuel  
20 tax revenue, then aviation fuel is excluded from the tax. Each  
21 municipality must comply with the certification requirements  
22 for airport-related purposes under Section 2-22 of the  
23 Retailers' Occupation Tax Act. For purposes of this Section,  
24 "airport-related purposes" has the meaning ascribed in Section  
25 6z-20.2 of the State Finance Act. This exclusion for aviation

1 fuel only applies for so long as the revenue use requirements  
2 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
3 municipality. The changes made to this Section by this  
4 amendatory Act of the 101st General Assembly are a denial and  
5 limitation of home rule powers and functions under subsection  
6 (g) of Section 6 of Article VII of the Illinois Constitution.  
7 The tax imposed by a home rule municipality under this Section  
8 and all civil penalties that may be assessed as an incident of  
9 the tax shall be collected and enforced by the State  
10 Department of Revenue. The certificate of registration that is  
11 issued by the Department to a retailer under the Retailers'  
12 Occupation Tax Act shall permit the retailer to engage in a  
13 business that is taxable under any ordinance or resolution  
14 enacted pursuant to this Section without registering  
15 separately with the Department under such ordinance or  
16 resolution or under this Section. The Department shall have  
17 full power to administer and enforce this Section; to collect  
18 all taxes and penalties due hereunder; to dispose of taxes and  
19 penalties so collected in the manner hereinafter provided; and  
20 to determine all rights to credit memoranda arising on account  
21 of the erroneous payment of tax or penalty hereunder. In the  
22 administration of, and compliance with, this Section the  
23 Department and persons who are subject to this Section shall  
24 have the same rights, remedies, privileges, immunities, powers  
25 and duties, and be subject to the same conditions,  
26 restrictions, limitations, penalties and definitions of terms,



1 and employ the same modes of procedure, as are prescribed in  
2 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65  
3 (in respect to all provisions therein other than the State  
4 rate of tax), 2c, 3 (except as to the disposition of taxes and  
5 penalties collected, and except that the retailer's discount  
6 is not allowed for taxes paid on aviation fuel that are subject  
7 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
8 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
9 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
10 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
11 Penalty and Interest Act, as fully as if those provisions were  
12 set forth herein.

13 No tax may be imposed by a home rule municipality under  
14 this Section unless the municipality also imposes a tax at the  
15 same rate under Section 8-11-5 of this Act.

16 If, on January 1, 2025, a unit of local government has in  
17 effect a tax under this Section, or if, after January 1, 2025,  
18 a unit of local government imposes a tax under this Section,  
19 then that tax applies to leases of tangible personal property  
20 in effect, entered into, or renewed on or after that date in  
21 the same manner as the tax under this Section and in accordance  
22 with the changes made by this amendatory Act of the 103rd  
23 General Assembly.

24 Persons subject to any tax imposed under the authority  
25 granted in this Section may reimburse themselves for their  
26 seller's tax liability hereunder by separately stating that

1 tax as an additional charge, which charge may be stated in  
2 combination, in a single amount, with State tax which sellers  
3 are required to collect under the Use Tax Act, pursuant to such  
4 bracket schedules as the Department may prescribe.

5 Whenever the Department determines that a refund should be  
6 made under this Section to a claimant instead of issuing a  
7 credit memorandum, the Department shall notify the State  
8 Comptroller, who shall cause the order to be drawn for the  
9 amount specified and to the person named in the notification  
10 from the Department. The refund shall be paid by the State  
11 Treasurer out of the home rule municipal retailers' occupation  
12 tax fund or the Local Government Aviation Trust Fund, as  
13 appropriate.

14 Except as otherwise provided in this paragraph, the  
15 Department shall immediately pay over to the State Treasurer,  
16 ex officio, as trustee, all taxes and penalties collected  
17 hereunder for deposit into the Home Rule Municipal Retailers'  
18 Occupation Tax Fund. Taxes and penalties collected on aviation  
19 fuel sold on or after December 1, 2019, shall be immediately  
20 paid over by the Department to the State Treasurer, ex  
21 officio, as trustee, for deposit into the Local Government  
22 Aviation Trust Fund. The Department shall only pay moneys into  
23 the Local Government Aviation Trust Fund under this Section  
24 for so long as the revenue use requirements of 49 U.S.C.  
25 47107(b) and 49 U.S.C. 47133 are binding on the State.

26 As soon as possible after the first day of each month,

1 beginning January 1, 2011, upon certification of the  
2 Department of Revenue, the Comptroller shall order  
3 transferred, and the Treasurer shall transfer, to the STAR  
4 Bonds Revenue Fund the local sales tax increment, as defined  
5 in the Innovation Development and Economy Act, collected under  
6 this Section during the second preceding calendar month for  
7 sales within a STAR bond district.

8 After the monthly transfer to the STAR Bonds Revenue Fund,  
9 on or before the 25th day of each calendar month, the  
10 Department shall prepare and certify to the Comptroller the  
11 disbursement of stated sums of money to named municipalities,  
12 the municipalities to be those from which retailers have paid  
13 taxes or penalties hereunder to the Department during the  
14 second preceding calendar month. The amount to be paid to each  
15 municipality shall be the amount (not including credit  
16 memoranda and not including taxes and penalties collected on  
17 aviation fuel sold on or after December 1, 2019) collected  
18 hereunder during the second preceding calendar month by the  
19 Department plus an amount the Department determines is  
20 necessary to offset any amounts that were erroneously paid to  
21 a different taxing body, and not including an amount equal to  
22 the amount of refunds made during the second preceding  
23 calendar month by the Department on behalf of such  
24 municipality, and not including any amount that the Department  
25 determines is necessary to offset any amounts that were  
26 payable to a different taxing body but were erroneously paid

1 to the municipality, and not including any amounts that are  
2 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
3 remainder, which the Department shall transfer into the Tax  
4 Compliance and Administration Fund. The Department, at the  
5 time of each monthly disbursement to the municipalities, shall  
6 prepare and certify to the State Comptroller the amount to be  
7 transferred into the Tax Compliance and Administration Fund  
8 under this Section. Within 10 days after receipt by the  
9 Comptroller of the disbursement certification to the  
10 municipalities and the Tax Compliance and Administration Fund  
11 provided for in this Section to be given to the Comptroller by  
12 the Department, the Comptroller shall cause the orders to be  
13 drawn for the respective amounts in accordance with the  
14 directions contained in the certification.

15 In addition to the disbursement required by the preceding  
16 paragraph and in order to mitigate delays caused by  
17 distribution procedures, an allocation shall, if requested, be  
18 made within 10 days after January 14, 1991, and in November of  
19 1991 and each year thereafter, to each municipality that  
20 received more than \$500,000 during the preceding fiscal year,  
21 (July 1 through June 30) whether collected by the municipality  
22 or disbursed by the Department as required by this Section.  
23 Within 10 days after January 14, 1991, participating  
24 municipalities shall notify the Department in writing of their  
25 intent to participate. In addition, for the initial  
26 distribution, participating municipalities shall certify to

1 the Department the amounts collected by the municipality for  
2 each month under its home rule occupation and service  
3 occupation tax during the period July 1, 1989 through June 30,  
4 1990. The allocation within 10 days after January 14, 1991,  
5 shall be in an amount equal to the monthly average of these  
6 amounts, excluding the 2 months of highest receipts. The  
7 monthly average for the period of July 1, 1990 through June 30,  
8 1991 will be determined as follows: the amounts collected by  
9 the municipality under its home rule occupation and service  
10 occupation tax during the period of July 1, 1990 through  
11 September 30, 1990, plus amounts collected by the Department  
12 and paid to such municipality through June 30, 1991, excluding  
13 the 2 months of highest receipts. The monthly average for each  
14 subsequent period of July 1 through June 30 shall be an amount  
15 equal to the monthly distribution made to each such  
16 municipality under the preceding paragraph during this period,  
17 excluding the 2 months of highest receipts. The distribution  
18 made in November 1991 and each year thereafter under this  
19 paragraph and the preceding paragraph shall be reduced by the  
20 amount allocated and disbursed under this paragraph in the  
21 preceding period of July 1 through June 30. The Department  
22 shall prepare and certify to the Comptroller for disbursement  
23 the allocations made in accordance with this paragraph.

24 For the purpose of determining the local governmental unit  
25 whose tax is applicable, a retail sale by a producer of coal or  
26 other mineral mined in Illinois is a sale at retail at the

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

7 Nothing in this Section shall be construed to authorize a  
8 municipality to impose a tax upon the privilege of engaging in  
9 any business which under the Constitution of the United States  
10 may not be made the subject of taxation by this State.

11 An ordinance or resolution imposing or discontinuing a tax  
12 hereunder or effecting a change in the rate thereof shall be  
13 adopted and a certified copy thereof filed with the Department  
14 on or before the first day of June, whereupon the Department  
15 shall proceed to administer and enforce this Section as of the  
16 first day of September next following the adoption and filing.  
17 Beginning January 1, 1992, an ordinance or resolution imposing  
18 or discontinuing the tax hereunder or effecting a change in  
19 the rate thereof shall be adopted and a certified copy thereof  
20 filed with the Department on or before the first day of July,  
21 whereupon the Department shall proceed to administer and  
22 enforce this Section as of the first day of October next  
23 following such adoption and filing. Beginning January 1, 1993,  
24 an ordinance or resolution imposing or discontinuing the tax  
25 hereunder or effecting a change in the rate thereof shall be  
26 adopted and a certified copy thereof filed with the Department

1 on or before the first day of October, whereupon the  
2 Department shall proceed to administer and enforce this  
3 Section as of the first day of January next following the  
4 adoption and filing. However, a municipality located in a  
5 county with a population in excess of 3,000,000 that elected  
6 to become a home rule unit at the general primary election in  
7 1994 may adopt an ordinance or resolution imposing the tax  
8 under this Section and file a certified copy of the ordinance  
9 or resolution with the Department on or before July 1, 1994.  
10 The Department shall then proceed to administer and enforce  
11 this Section as of October 1, 1994. Beginning April 1, 1998, an  
12 ordinance or resolution imposing or discontinuing the tax  
13 hereunder or effecting a change in the rate thereof shall  
14 either (i) be adopted and a certified copy thereof filed with  
15 the Department on or before the first day of April, whereupon  
16 the Department shall proceed to administer and enforce this  
17 Section as of the first day of July next following the adoption  
18 and filing; or (ii) be adopted and a certified copy thereof  
19 filed with the Department on or before the first day of  
20 October, whereupon the Department shall proceed to administer  
21 and enforce this Section as of the first day of January next  
22 following the adoption and filing.

23 When certifying the amount of a monthly disbursement to a  
24 municipality under this Section, the Department shall increase  
25 or decrease the amount by an amount necessary to offset any  
26 misallocation of previous disbursements. The offset amount

1 shall be the amount erroneously disbursed within the previous  
2 6 months from the time a misallocation is discovered.

3 Any unobligated balance remaining in the Municipal  
4 Retailers' Occupation Tax Fund on December 31, 1989, which  
5 fund was abolished by Public Act 85-1135, and all receipts of  
6 municipal tax as a result of audits of liability periods prior  
7 to January 1, 1990, shall be paid into the Local Government Tax  
8 Fund for distribution as provided by this Section prior to the  
9 enactment of Public Act 85-1135. All receipts of municipal tax  
10 as a result of an assessment not arising from an audit, for  
11 liability periods prior to January 1, 1990, shall be paid into  
12 the Local Government Tax Fund for distribution before July 1,  
13 1990, as provided by this Section prior to the enactment of  
14 Public Act 85-1135; and on and after July 1, 1990, all such  
15 receipts shall be distributed as provided in Section 6z-18 of  
16 the State Finance Act.

17 As used in this Section, "municipal" and "municipality"  
18 means a city, village or incorporated town, including an  
19 incorporated town that has superseded a civil township.

20 This Section shall be known and may be cited as the Home  
21 Rule Municipal Retailers' Occupation Tax Act.

22 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
23 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

24 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

25 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'



1 Occupation Tax Act. The corporate authorities of a non-home  
2 rule municipality may impose a tax upon all persons engaged in  
3 the business of selling tangible personal property, other than  
4 on an item of tangible personal property which is titled and  
5 registered by an agency of this State's Government, at retail  
6 in the municipality for expenditure on public infrastructure  
7 or for property tax relief or both as defined in Section  
8 8-11-1.2 if approved by referendum as provided in Section  
9 8-11-1.1, of the gross receipts from such sales made in the  
10 course of such business. If the tax is approved by referendum  
11 on or after July 14, 2010 (the effective date of Public Act  
12 96-1057), the corporate authorities of a non-home rule  
13 municipality may, until July 1, 2030, use the proceeds of the  
14 tax for expenditure on municipal operations, in addition to or  
15 in lieu of any expenditure on public infrastructure or for  
16 property tax relief. The tax imposed may not be more than 1%  
17 and may be imposed only in 1/4% increments. The tax may not be  
18 imposed on tangible personal property taxed at the 1% rate  
19 under the Retailers' Occupation Tax Act (or at the 0% rate  
20 imposed under this amendatory Act of the 102nd General  
21 Assembly). Beginning December 1, 2019, this tax is not imposed  
22 on sales of aviation fuel unless the tax revenue is expended  
23 for airport-related purposes. If a municipality does not have  
24 an airport-related purpose to which it dedicates aviation fuel  
25 tax revenue, then aviation fuel is excluded from the tax. Each  
26 municipality must comply with the certification requirements

1 for airport-related purposes under Section 2-22 of the  
2 Retailers' Occupation Tax Act. For purposes of this Section,  
3 "airport-related purposes" has the meaning ascribed in Section  
4 6z-20.2 of the State Finance Act. This exclusion for aviation  
5 fuel only applies for so long as the revenue use requirements  
6 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
7 municipality. The tax imposed by a municipality pursuant to  
8 this Section and all civil penalties that may be assessed as an  
9 incident thereof shall be collected and enforced by the State  
10 Department of Revenue. The certificate of registration which  
11 is issued by the Department to a retailer under the Retailers'  
12 Occupation Tax Act shall permit such retailer to engage in a  
13 business which is taxable under any ordinance or resolution  
14 enacted pursuant to this Section without registering  
15 separately with the Department under such ordinance or  
16 resolution or under this Section. The Department shall have  
17 full power to administer and enforce this Section; to collect  
18 all taxes and penalties due hereunder; to dispose of taxes and  
19 penalties so collected in the manner hereinafter provided, and  
20 to determine all rights to credit memoranda, arising on  
21 account of the erroneous payment of tax or penalty hereunder.  
22 In the administration of, and compliance with, this Section,  
23 the Department and persons who are subject to this Section  
24 shall have the same rights, remedies, privileges, immunities,  
25 powers and duties, and be subject to the same conditions,  
26 restrictions, limitations, penalties and definitions of terms,

1 and employ the same modes of procedure, as are prescribed in  
2 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in  
3 respect to all provisions therein other than the State rate of  
4 tax), 2c, 3 (except as to the disposition of taxes and  
5 penalties collected, and except that the retailer's discount  
6 is not allowed for taxes paid on aviation fuel that are subject  
7 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
8 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
9 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
10 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
11 Penalty and Interest Act as fully as if those provisions were  
12 set forth herein.

13 No municipality may impose a tax under this Section unless  
14 the municipality also imposes a tax at the same rate under  
15 Section 8-11-1.4 of this Code.

16 If, on January 1, 2025, a unit of local government has in  
17 effect a tax under this Section, or if, after January 1, 2025,  
18 a unit of local government imposes a tax under this Section,  
19 then that tax applies to leases of tangible personal property  
20 in effect, entered into, or renewed on or after that date in  
21 the same manner as the tax under this Section and in accordance  
22 with the changes made by this amendatory Act of the 103rd  
23 General Assembly.

24 Persons subject to any tax imposed pursuant to the  
25 authority granted in this Section may reimburse themselves for  
26 their seller's tax liability hereunder by separately stating

1 such tax as an additional charge, which charge may be stated in  
2 combination, in a single amount, with State tax which sellers  
3 are required to collect under the Use Tax Act, pursuant to such  
4 bracket schedules as the Department may prescribe.

5 Whenever the Department determines that a refund should be  
6 made under this Section to a claimant instead of issuing a  
7 credit memorandum, the Department shall notify the State  
8 Comptroller, who shall cause the order to be drawn for the  
9 amount specified, and to the person named, in such  
10 notification from the Department. Such refund shall be paid by  
11 the State Treasurer out of the non-home rule municipal  
12 retailers' occupation tax fund or the Local Government  
13 Aviation Trust Fund, as appropriate.

14 Except as otherwise provided, the Department shall  
15 forthwith pay over to the State Treasurer, ex officio, as  
16 trustee, all taxes and penalties collected hereunder for  
17 deposit into the Non-Home Rule Municipal Retailers' Occupation  
18 Tax Fund. Taxes and penalties collected on aviation fuel sold  
19 on or after December 1, 2019, shall be immediately paid over by  
20 the Department to the State Treasurer, ex officio, as trustee,  
21 for deposit into the Local Government Aviation Trust Fund. The  
22 Department shall only pay moneys into the Local Government  
23 Aviation Trust Fund under this Section for so long as the  
24 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
25 47133 are binding on the municipality.

26 As soon as possible after the first day of each month,

1 beginning January 1, 2011, upon certification of the  
2 Department of Revenue, the Comptroller shall order  
3 transferred, and the Treasurer shall transfer, to the STAR  
4 Bonds Revenue Fund the local sales tax increment, as defined  
5 in the Innovation Development and Economy Act, collected under  
6 this Section during the second preceding calendar month for  
7 sales within a STAR bond district.

8 After the monthly transfer to the STAR Bonds Revenue Fund,  
9 on or before the 25th day of each calendar month, the  
10 Department shall prepare and certify to the Comptroller the  
11 disbursement of stated sums of money to named municipalities,  
12 the municipalities to be those from which retailers have paid  
13 taxes or penalties hereunder to the Department during the  
14 second preceding calendar month. The amount to be paid to each  
15 municipality shall be the amount (not including credit  
16 memoranda and not including taxes and penalties collected on  
17 aviation fuel sold on or after December 1, 2019) collected  
18 hereunder during the second preceding calendar month by the  
19 Department plus an amount the Department determines is  
20 necessary to offset any amounts which were erroneously paid to  
21 a different taxing body, and not including an amount equal to  
22 the amount of refunds made during the second preceding  
23 calendar month by the Department on behalf of such  
24 municipality, and not including any amount which the  
25 Department determines is necessary to offset any amounts which  
26 were payable to a different taxing body but were erroneously

1 paid to the municipality, and not including any amounts that  
2 are transferred to the STAR Bonds Revenue Fund, less 1.5% of  
3 the remainder, which the Department shall transfer into the  
4 Tax Compliance and Administration Fund. The Department, at the  
5 time of each monthly disbursement to the municipalities, shall  
6 prepare and certify to the State Comptroller the amount to be  
7 transferred into the Tax Compliance and Administration Fund  
8 under this Section. Within 10 days after receipt, by the  
9 Comptroller, of the disbursement certification to the  
10 municipalities and the Tax Compliance and Administration Fund  
11 provided for in this Section to be given to the Comptroller by  
12 the Department, the Comptroller shall cause the orders to be  
13 drawn for the respective amounts in accordance with the  
14 directions contained in such certification.

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

24 Nothing in this Section shall be construed to authorize a  
25 municipality to impose a tax upon the privilege of engaging in  
26 any business which under the constitution of the United States

1 may not be made the subject of taxation by this State.

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

8 The Department of Revenue shall implement Public Act  
9 91-649 so as to collect the tax on and after January 1, 2002.

10 As used in this Section, "municipal" and "municipality"  
11 mean a city, village, or incorporated town, including an  
12 incorporated town which has superseded a civil township.

13 This Section shall be known and may be cited as the  
14 Non-Home Rule Municipal Retailers' Occupation Tax Act.

15 (Source: P.A. 101-10, eff. 6-5-19; 101-47, eff. 1-1-20;  
16 101-81, eff. 7-12-19; 101-604, eff. 12-13-19; 102-700, eff.  
17 4-19-22.)

18 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

19 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation  
20 Tax Act. The corporate authorities of a non-home rule  
21 municipality may impose a tax upon all persons engaged, in  
22 such municipality, in the business of making sales of service  
23 for expenditure on public infrastructure or for property tax  
24 relief or both as defined in Section 8-11-1.2 if approved by  
25 referendum as provided in Section 8-11-1.1, of the selling

1 price of all tangible personal property transferred by such  
2 servicemen either in the form of tangible personal property or  
3 in the form of real estate as an incident to a sale of service.  
4 If the tax is approved by referendum on or after July 14, 2010  
5 (the effective date of Public Act 96-1057), the corporate  
6 authorities of a non-home rule municipality may, until  
7 December 31, 2030, use the proceeds of the tax for expenditure  
8 on municipal operations, in addition to or in lieu of any  
9 expenditure on public infrastructure or for property tax  
10 relief. The tax imposed may not be more than 1% and may be  
11 imposed only in 1/4% increments. The tax may not be imposed on  
12 tangible personal property taxed at the 1% rate under the  
13 Service Occupation Tax Act (or at the 0% rate imposed under  
14 this amendatory Act of the 102nd General Assembly). Beginning  
15 December 1, 2019, this tax is not imposed on sales of aviation  
16 fuel unless the tax revenue is expended for airport-related  
17 purposes. If a municipality does not have an airport-related  
18 purpose to which it dedicates aviation fuel tax revenue, then  
19 aviation fuel is excluded from the tax. Each municipality must  
20 comply with the certification requirements for airport-related  
21 purposes under Section 2-22 of the Retailers' Occupation Tax  
22 Act. For purposes of this Section, "airport-related purposes"  
23 has the meaning ascribed in Section 6z-20.2 of the State  
24 Finance Act. This exclusion for aviation fuel only applies for  
25 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
26 and 49 U.S.C. 47133 are binding on the municipality. The tax



1 imposed by a municipality pursuant to this Section and all  
2 civil penalties that may be assessed as an incident thereof  
3 shall be collected and enforced by the State Department of  
4 Revenue. The certificate of registration which is issued by  
5 the Department to a retailer under the Retailers' Occupation  
6 Tax Act or under the Service Occupation Tax Act shall permit  
7 such registrant to engage in a business which is taxable under  
8 any ordinance or resolution enacted pursuant to this Section  
9 without registering separately with the Department under such  
10 ordinance or resolution or under this Section. The Department  
11 shall have full power to administer and enforce this Section;  
12 to collect all taxes and penalties due hereunder; to dispose  
13 of taxes and penalties so collected in the manner hereinafter  
14 provided, and to determine all rights to credit memoranda  
15 arising on account of the erroneous payment of tax or penalty  
16 hereunder. In the administration of, and compliance with, this  
17 Section the Department and persons who are subject to this  
18 Section shall have the same rights, remedies, privileges,  
19 immunities, powers and duties, and be subject to the same  
20 conditions, restrictions, limitations, penalties and  
21 definitions of terms, and employ the same modes of procedure,  
22 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
23 respect to all provisions therein other than the State rate of  
24 tax), 4 (except that the reference to the State shall be to the  
25 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
26 which the tax shall be a debt to the extent indicated in that

1 Section 8 shall be the taxing municipality), 9 (except as to  
2 the disposition of taxes and penalties collected, and except  
3 that the returned merchandise credit for this municipal tax  
4 may not be taken against any State tax, and except that the  
5 retailer's discount is not allowed for taxes paid on aviation  
6 fuel that are subject to the revenue use requirements of 49  
7 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the  
8 reference therein to Section 2b of the Retailers' Occupation  
9 Tax Act), 13 (except that any reference to the State shall mean  
10 the taxing municipality), the first paragraph of Section 15,  
11 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and  
12 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
13 as if those provisions were set forth herein.

14 No municipality may impose a tax under this Section unless  
15 the municipality also imposes a tax at the same rate under  
16 Section 8-11-1.3 of this Code.

17 If, on January 1, 2025, a unit of local government has in  
18 effect a tax under this Section, or if, after January 1, 2025,  
19 a unit of local government imposes a tax under this Section,  
20 then that tax applies to leases of tangible personal property  
21 in effect, entered into, or renewed on or after that date in  
22 the same manner as the tax under this Section and in accordance  
23 with the changes made by this amendatory Act of the 103rd  
24 General Assembly.

25 Persons subject to any tax imposed pursuant to the  
26 authority granted in this Section may reimburse themselves for

1 their serviceman's tax liability hereunder by separately  
2 stating such tax as an additional charge, which charge may be  
3 stated in combination, in a single amount, with State tax  
4 which servicemen are authorized to collect under the Service  
5 Use Tax Act, pursuant to such bracket schedules as the  
6 Department may prescribe.

7 Whenever the Department determines that a refund should be  
8 made under this Section to a claimant instead of issuing  
9 credit memorandum, the Department shall notify the State  
10 Comptroller, who shall cause the order to be drawn for the  
11 amount specified, and to the person named, in such  
12 notification from the Department. Such refund shall be paid by  
13 the State Treasurer out of the municipal retailers' occupation  
14 tax fund or the Local Government Aviation Trust Fund, as  
15 appropriate.

16 Except as otherwise provided in this paragraph, the  
17 Department shall forthwith pay over to the State Treasurer, ex  
18 officio, as trustee, all taxes and penalties collected  
19 hereunder for deposit into the municipal retailers' occupation  
20 tax fund. Taxes and penalties collected on aviation fuel sold  
21 on or after December 1, 2019, shall be immediately paid over by  
22 the Department to the State Treasurer, ex officio, as trustee,  
23 for deposit into the Local Government Aviation Trust Fund. The  
24 Department shall only pay moneys into the Local Government  
25 Aviation Trust Fund under this Section for so long as the  
26 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.

1 47133 are binding on the municipality.

2 As soon as possible after the first day of each month,  
3 beginning January 1, 2011, upon certification of the  
4 Department of Revenue, the Comptroller shall order  
5 transferred, and the Treasurer shall transfer, to the STAR  
6 Bonds Revenue Fund the local sales tax increment, as defined  
7 in the Innovation Development and Economy Act, collected under  
8 this Section during the second preceding calendar month for  
9 sales within a STAR bond district.

10 After the monthly transfer to the STAR Bonds Revenue Fund,  
11 on or before the 25th day of each calendar month, the  
12 Department shall prepare and certify to the Comptroller the  
13 disbursement of stated sums of money to named municipalities,  
14 the municipalities to be those from which suppliers and  
15 servicemen have paid taxes or penalties hereunder to the  
16 Department during the second preceding calendar month. The  
17 amount to be paid to each municipality shall be the amount (not  
18 including credit memoranda and not including taxes and  
19 penalties collected on aviation fuel sold on or after December  
20 1, 2019) collected hereunder during the second preceding  
21 calendar month by the Department, and not including an amount  
22 equal to the amount of refunds made during the second  
23 preceding calendar month by the Department on behalf of such  
24 municipality, and not including any amounts that are  
25 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
26 remainder, which the Department shall transfer into the Tax

1 Compliance and Administration Fund. The Department, at the  
2 time of each monthly disbursement to the municipalities, shall  
3 prepare and certify to the State Comptroller the amount to be  
4 transferred into the Tax Compliance and Administration Fund  
5 under this Section. Within 10 days after receipt, by the  
6 Comptroller, of the disbursement certification to the  
7 municipalities, the General Revenue Fund, and the Tax  
8 Compliance and Administration Fund provided for in this  
9 Section to be given to the Comptroller by the Department, the  
10 Comptroller shall cause the orders to be drawn for the  
11 respective amounts in accordance with the directions contained  
12 in such certification.

13 The Department of Revenue shall implement Public Act  
14 91-649 so as to collect the tax on and after January 1, 2002.

15 Nothing in this Section shall be construed to authorize a  
16 municipality to impose a tax upon the privilege of engaging in  
17 any business which under the constitution of the United States  
18 may not be made the subject of taxation by this State.

19 As used in this Section, "municipal" or "municipality"  
20 means or refers to a city, village or incorporated town,  
21 including an incorporated town which has superseded a civil  
22 township.

23 This Section shall be known and may be cited as the  
24 "Non-Home Rule Municipal Service Occupation Tax Act".

25 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23.)

1 (65 ILCS 5/8-11-1.6)

2 Sec. 8-11-1.6. Non-home rule municipal retailers'  
3 occupation tax; municipalities between 20,000 and 25,000. The  
4 corporate authorities of a non-home rule municipality with a  
5 population of more than 20,000 but less than 25,000 that has,  
6 prior to January 1, 1987, established a Redevelopment Project  
7 Area that has been certified as a State Sales Tax Boundary and  
8 has issued bonds or otherwise incurred indebtedness to pay for  
9 costs in excess of \$5,000,000, which is secured in part by a  
10 tax increment allocation fund, in accordance with the  
11 provisions of Division 11-74.4 of this Code may, by passage of  
12 an ordinance, impose a tax upon all persons engaged in the  
13 business of selling tangible personal property, other than on  
14 an item of tangible personal property that is titled and  
15 registered by an agency of this State's Government, at retail  
16 in the municipality. This tax may not be imposed on tangible  
17 personal property taxed at the 1% rate under the Retailers'  
18 Occupation Tax Act (or at the 0% rate imposed under this  
19 amendatory Act of the 102nd General Assembly). Beginning  
20 December 1, 2019, this tax is not imposed on sales of aviation  
21 fuel unless the tax revenue is expended for airport-related  
22 purposes. If a municipality does not have an airport-related  
23 purpose to which it dedicates aviation fuel tax revenue, then  
24 aviation fuel is excluded from the tax. Each municipality must  
25 comply with the certification requirements for airport-related  
26 purposes under Section 2-22 of the Retailers' Occupation Tax

1 Act. For purposes of this Section, "airport-related purposes"  
2 has the meaning ascribed in Section 6z-20.2 of the State  
3 Finance Act. This exclusion for aviation fuel only applies for  
4 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
5 and 49 U.S.C. 47133 are binding on the municipality. If  
6 imposed, the tax shall only be imposed in .25% increments of  
7 the gross receipts from such sales made in the course of  
8 business. Any tax imposed by a municipality under this Section  
9 and all civil penalties that may be assessed as an incident  
10 thereof shall be collected and enforced by the State  
11 Department of Revenue. An ordinance imposing a tax hereunder  
12 or effecting a change in the rate thereof shall be adopted and  
13 a certified copy thereof filed with the Department on or  
14 before the first day of October, whereupon the Department  
15 shall proceed to administer and enforce this Section as of the  
16 first day of January next following such adoption and filing.  
17 The certificate of registration that is issued by the  
18 Department to a retailer under the Retailers' Occupation Tax  
19 Act shall permit the retailer to engage in a business that is  
20 taxable under any ordinance or resolution enacted under this  
21 Section without registering separately with the Department  
22 under the ordinance or resolution or under this Section. The  
23 Department shall have full power to administer and enforce  
24 this Section, to collect all taxes and penalties due  
25 hereunder, to dispose of taxes and penalties so collected in  
26 the manner hereinafter provided, and to determine all rights

1 to credit memoranda, arising on account of the erroneous  
2 payment of tax or penalty hereunder. In the administration of,  
3 and compliance with this Section, the Department and persons  
4 who are subject to this Section shall have the same rights,  
5 remedies, privileges, immunities, powers, and duties, and be  
6 subject to the same conditions, restrictions, limitations,  
7 penalties, and definitions of terms, and employ the same modes  
8 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,  
9 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
10 therein other than the State rate of tax), 2c, 3 (except as to  
11 the disposition of taxes and penalties collected, and except  
12 that the retailer's discount is not allowed for taxes paid on  
13 aviation fuel that are subject to the revenue use requirements  
14 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
15 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
16 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
17 Section 3-7 of the Uniform Penalty and Interest Act as fully as  
18 if those provisions were set forth herein.

19 A tax may not be imposed by a municipality under this  
20 Section unless the municipality also imposes a tax at the same  
21 rate under Section 8-11-1.7 of this Act.

22 If, on January 1, 2025, a unit of local government has in  
23 effect a tax under this Section, or if, after January 1, 2025,  
24 a unit of local government imposes a tax under this Section,  
25 then that tax applies to leases of tangible personal property  
26 in effect, entered into, or renewed on or after that date in



1 the same manner as the tax under this Section and in accordance  
2 with the changes made by this amendatory Act of the 103rd  
3 General Assembly.

4 Persons subject to any tax imposed under the authority  
5 granted in this Section may reimburse themselves for their  
6 seller's tax liability hereunder by separately stating the tax  
7 as an additional charge, which charge may be stated in  
8 combination, in a single amount, with State tax which sellers  
9 are required to collect under the Use Tax Act, pursuant to such  
10 bracket schedules as the Department may prescribe.

11 Whenever the Department determines that a refund should be  
12 made under this Section to a claimant, instead of issuing a  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the order to be drawn for the  
15 amount specified, and to the person named in the notification  
16 from the Department. The refund shall be paid by the State  
17 Treasurer out of the Non-Home Rule Municipal Retailers'  
18 Occupation Tax Fund, which is hereby created or the Local  
19 Government Aviation Trust Fund, as appropriate.

20 Except as otherwise provided in this paragraph, the  
21 Department shall forthwith pay over to the State Treasurer, ex  
22 officio, as trustee, all taxes and penalties collected  
23 hereunder for deposit into the Non-Home Rule Municipal  
24 Retailers' Occupation Tax Fund. Taxes and penalties collected  
25 on aviation fuel sold on or after December 1, 2019, shall be  
26 immediately paid over by the Department to the State

1 Treasurer, ex officio, as trustee, for deposit into the Local  
2 Government Aviation Trust Fund. The Department shall only pay  
3 moneys into the Local Government Aviation Trust Fund under  
4 this Section for so long as the revenue use requirements of 49  
5 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
6 municipality.

7 As soon as possible after the first day of each month,  
8 beginning January 1, 2011, upon certification of the  
9 Department of Revenue, the Comptroller shall order  
10 transferred, and the Treasurer shall transfer, to the STAR  
11 Bonds Revenue Fund the local sales tax increment, as defined  
12 in the Innovation Development and Economy Act, collected under  
13 this Section during the second preceding calendar month for  
14 sales within a STAR bond district.

15 After the monthly transfer to the STAR Bonds Revenue Fund,  
16 on or before the 25th day of each calendar month, the  
17 Department shall prepare and certify to the Comptroller the  
18 disbursement of stated sums of money to named municipalities,  
19 the municipalities to be those from which retailers have paid  
20 taxes or penalties hereunder to the Department during the  
21 second preceding calendar month. The amount to be paid to each  
22 municipality shall be the amount (not including credit  
23 memoranda and not including taxes and penalties collected on  
24 aviation fuel sold on or after December 1, 2019) collected  
25 hereunder during the second preceding calendar month by the  
26 Department plus an amount the Department determines is

1 necessary to offset any amounts that were erroneously paid to  
2 a different taxing body, and not including an amount equal to  
3 the amount of refunds made during the second preceding  
4 calendar month by the Department on behalf of the  
5 municipality, and not including any amount that the Department  
6 determines is necessary to offset any amounts that were  
7 payable to a different taxing body but were erroneously paid  
8 to the municipality, and not including any amounts that are  
9 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
10 remainder, which the Department shall transfer into the Tax  
11 Compliance and Administration Fund. The Department, at the  
12 time of each monthly disbursement to the municipalities, shall  
13 prepare and certify to the State Comptroller the amount to be  
14 transferred into the Tax Compliance and Administration Fund  
15 under this Section. Within 10 days after receipt by the  
16 Comptroller of the disbursement certification to the  
17 municipalities and the Tax Compliance and Administration Fund  
18 provided for in this Section to be given to the Comptroller by  
19 the Department, the Comptroller shall cause the orders to be  
20 drawn for the respective amounts in accordance with the  
21 directions contained in the certification.

22 For the purpose of determining the local governmental unit  
23 whose tax is applicable, a retail sale by a producer of coal or  
24 other mineral mined in Illinois is a sale at retail at the  
25 place where the coal or other mineral mined in Illinois is  
26 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 the  
3 sale is exempt under the federal Constitution as a sale in  
4 interstate or foreign commerce.

5 Nothing in this Section shall be construed to authorize a  
6 municipality to impose a tax upon the privilege of engaging in  
7 any business which under the constitution of the United States  
8 may not be made the subject of taxation by this State.

9 When certifying the amount of a monthly disbursement to a  
10 municipality under this Section, the Department shall increase  
11 or decrease the amount by an amount necessary to offset any  
12 misallocation of previous disbursements. The offset amount  
13 shall be the amount erroneously disbursed within the previous  
14 6 months from the time a misallocation is discovered.

15 As used in this Section, "municipal" and "municipality"  
16 means a city, village, or incorporated town, including an  
17 incorporated town that has superseded a civil township.

18 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
19 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

20 (65 ILCS 5/8-11-1.7)

21 Sec. 8-11-1.7. Non-home rule municipal service occupation  
22 tax; municipalities between 20,000 and 25,000. The corporate  
23 authorities of a non-home rule municipality with a population  
24 of more than 20,000 but less than 25,000 as determined by the  
25 last preceding decennial census that has, prior to January 1,

1 1987, established a Redevelopment Project Area that has been  
2 certified as a State Sales Tax Boundary and has issued bonds or  
3 otherwise incurred indebtedness to pay for costs in excess of  
4 \$5,000,000, which is secured in part by a tax increment  
5 allocation fund, in accordance with the provisions of Division  
6 11-74.4 of this Code may, by passage of an ordinance, impose a  
7 tax upon all persons engaged in the municipality in the  
8 business of making sales of service. If imposed, the tax shall  
9 only be imposed in .25% increments of the selling price of all  
10 tangible personal property transferred by such servicemen  
11 either in the form of tangible personal property or in the form  
12 of real estate as an incident to a sale of service. This tax  
13 may not be imposed on tangible personal property taxed at the  
14 1% rate under the Service Occupation Tax Act (or at the 0% rate  
15 imposed under this amendatory Act of the 102nd General  
16 Assembly). Beginning December 1, 2019, this tax is not imposed  
17 on sales of aviation fuel unless the tax revenue is expended  
18 for airport-related purposes. If a municipality does not have  
19 an airport-related purpose to which it dedicates aviation fuel  
20 tax revenue, then aviation fuel is excluded from the tax. Each  
21 municipality must comply with the certification requirements  
22 for airport-related purposes under Section 2-22 of the  
23 Retailers' Occupation Tax Act. For purposes of this Section,  
24 "airport-related purposes" has the meaning ascribed in Section  
25 6z-20.2 of the State Finance Act. This exclusion for aviation  
26 fuel only applies for so long as the revenue use requirements

1 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
2 municipality. The tax imposed by a municipality under this  
3 Section and all civil penalties that may be assessed as an  
4 incident thereof shall be collected and enforced by the State  
5 Department of Revenue. An ordinance imposing a tax hereunder  
6 or effecting a change in the rate thereof shall be adopted and  
7 a certified copy thereof filed with the Department on or  
8 before the first day of October, whereupon the Department  
9 shall proceed to administer and enforce this Section as of the  
10 first day of January next following such adoption and filing.  
11 The certificate of registration that is issued by the  
12 Department to a retailer under the Retailers' Occupation Tax  
13 Act or under the Service Occupation Tax Act shall permit the  
14 registrant to engage in a business that is taxable under any  
15 ordinance or resolution enacted under this Section without  
16 registering separately with the Department under the ordinance  
17 or resolution or under this Section. The Department shall have  
18 full power to administer and enforce this Section, to collect  
19 all taxes and penalties due hereunder, to dispose of taxes and  
20 penalties so collected in a manner hereinafter provided, and  
21 to determine all rights to credit memoranda arising on account  
22 of the erroneous payment of tax or penalty hereunder. In the  
23 administration of and compliance with this Section, the  
24 Department and persons who are subject to this Section shall  
25 have the same rights, remedies, privileges, immunities,  
26 powers, and duties, and be subject to the same conditions,

1 restrictions, limitations, penalties and definitions of terms,  
2 and employ the same modes of procedure, as are prescribed in  
3 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
4 provisions therein other than the State rate of tax), 4  
5 (except that the reference to the State shall be to the taxing  
6 municipality), 5, 7, 8 (except that the jurisdiction to which  
7 the tax shall be a debt to the extent indicated in that Section  
8 shall be the taxing municipality), 9 (except as to the  
9 disposition of taxes and penalties collected, and except that  
10 the returned merchandise credit for this municipal tax may not  
11 be taken against any State tax, and except that the retailer's  
12 discount is not allowed for taxes paid on aviation fuel that  
13 are subject to the revenue use requirements of 49 U.S.C.  
14 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the  
15 reference therein to Section 2b of the Retailers' Occupation  
16 Tax Act), 13 (except that any reference to the State shall mean  
17 the taxing municipality), the first paragraph of Sections 15,  
18 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and  
19 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
20 as if those provisions were set forth herein.

21 A tax may not be imposed by a municipality under this  
22 Section unless the municipality also imposes a tax at the same  
23 rate under Section 8-11-1.6 of this Act.

24 If, on January 1, 2025, a unit of local government has in  
25 effect a tax under this Section, or if, after January 1, 2025,  
26 a unit of local government imposes a tax under this Section,

1 then that tax applies to leases of tangible personal property  
2 in effect, entered into, or renewed on or after that date in  
3 the same manner as the tax under this Section and in accordance  
4 with the changes made by this amendatory Act of the 103rd  
5 General Assembly.

6 Person subject to any tax imposed under the authority  
7 granted in this Section may reimburse themselves for their  
8 servicemen's tax liability hereunder by separately stating the  
9 tax as an additional charge, which charge may be stated in  
10 combination, in a single amount, with State tax that  
11 servicemen are authorized to collect under the Service Use Tax  
12 Act, under such bracket schedules as the Department may  
13 prescribe.

14 Whenever the Department determines that a refund should be  
15 made under this Section to a claimant instead of issuing  
16 credit memorandum, the Department shall notify the State  
17 Comptroller, who shall cause the order to be drawn for the  
18 amount specified, and to the person named, in such  
19 notification from the Department. The refund shall be paid by  
20 the State Treasurer out of the Non-Home Rule Municipal  
21 Retailers' Occupation Tax Fund or the Local Government  
22 Aviation Trust Fund, as appropriate.

23 Except as otherwise provided in this paragraph, the  
24 Department shall forthwith pay over to the State Treasurer, ex  
25 officio, as trustee, all taxes and penalties collected  
26 hereunder for deposit into the Non-Home Rule Municipal



1 Retailers' Occupation Tax Fund. Taxes and penalties collected  
2 on aviation fuel sold on or after December 1, 2019, shall be  
3 immediately paid over by the Department to the State  
4 Treasurer, ex officio, as trustee, for deposit into the Local  
5 Government Aviation Trust Fund. The Department shall only pay  
6 moneys into the Local Government Aviation Trust Fund under  
7 this Section for so long as the revenue use requirements of 49  
8 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
9 Municipality.

10 As soon as possible after the first day of each month,  
11 beginning January 1, 2011, upon certification of the  
12 Department of Revenue, the Comptroller shall order  
13 transferred, and the Treasurer shall transfer, to the STAR  
14 Bonds Revenue Fund the local sales tax increment, as defined  
15 in the Innovation Development and Economy Act, collected under  
16 this Section during the second preceding calendar month for  
17 sales within a STAR bond district.

18 After the monthly transfer to the STAR Bonds Revenue Fund,  
19 on or before the 25th day of each calendar month, the  
20 Department shall prepare and certify to the Comptroller the  
21 disbursement of stated sums of money to named municipalities,  
22 the municipalities to be those from which suppliers and  
23 servicemen have paid taxes or penalties hereunder to the  
24 Department during the second preceding calendar month. The  
25 amount to be paid to each municipality shall be the amount (not  
26 including credit memoranda and not including taxes and

1 penalties collected on aviation fuel sold on or after December  
2 1, 2019) collected hereunder during the second preceding  
3 calendar month by the Department, and not including an amount  
4 equal to the amount of refunds made during the second  
5 preceding calendar month by the Department on behalf of such  
6 municipality, and not including any amounts that are  
7 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
8 remainder, which the Department shall transfer into the Tax  
9 Compliance and Administration Fund. The Department, at the  
10 time of each monthly disbursement to the municipalities, shall  
11 prepare and certify to the State Comptroller the amount to be  
12 transferred into the Tax Compliance and Administration Fund  
13 under this Section. Within 10 days after receipt by the  
14 Comptroller of the disbursement certification to the  
15 municipalities, the Tax Compliance and Administration Fund,  
16 and the General Revenue Fund, provided for in this Section to  
17 be given to the Comptroller by the Department, the Comptroller  
18 shall cause the orders to be drawn for the respective amounts  
19 in accordance with the directions contained in the  
20 certification.

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

1           Nothing in this Section shall be construed to authorize a  
2 municipality to impose a tax upon the privilege of engaging in  
3 any business which under the constitution of the United States  
4 may not be made the subject of taxation by this State.

5           (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
6 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

7           (65 ILCS 5/11-74.3-6)

8           Sec. 11-74.3-6. Business district revenue and obligations;  
9 business district tax allocation fund.

10           (a) If the corporate authorities of a municipality have  
11 approved a business district plan, have designated a business  
12 district, and have elected to impose a tax by ordinance  
13 pursuant to subsection (10) or (11) of Section 11-74.3-3, then  
14 each year after the date of the approval of the ordinance but  
15 terminating upon the date all business district project costs  
16 and all obligations paying or reimbursing business district  
17 project costs, if any, have been paid, but in no event later  
18 than the dissolution date, all amounts generated by the  
19 retailers' occupation tax and service occupation tax shall be  
20 collected and the tax shall be enforced by the Department of  
21 Revenue in the same manner as all retailers' occupation taxes  
22 and service occupation taxes imposed in the municipality  
23 imposing the tax and all amounts generated by the hotel  
24 operators' occupation tax shall be collected and the tax shall  
25 be enforced by the municipality in the same manner as all hotel

1 operators' occupation taxes imposed in the municipality  
2 imposing the tax. The corporate authorities of the  
3 municipality shall deposit the proceeds of the taxes imposed  
4 under subsections (10) and (11) of Section 11-74.3-3 into a  
5 special fund of the municipality called the "[Name of]  
6 Business District Tax Allocation Fund" for the purpose of  
7 paying or reimbursing business district project costs and  
8 obligations incurred in the payment of those costs.

9 (b) The corporate authorities of a municipality that has  
10 designated a business district under this Law may, by  
11 ordinance, impose a Business District Retailers' Occupation  
12 Tax upon all persons engaged in the business of selling  
13 tangible personal property, other than an item of tangible  
14 personal property titled or registered with an agency of this  
15 State's government, at retail in the business district at a  
16 rate not to exceed 1% of the gross receipts from the sales made  
17 in the course of such business, to be imposed only in 0.25%  
18 increments. The tax may not be imposed on tangible personal  
19 property taxed at the rate of 1% under the Retailers'  
20 Occupation Tax Act (or at the 0% rate imposed under this  
21 amendatory Act of the 102nd General Assembly). Beginning  
22 December 1, 2019 and through December 31, 2020, this tax is not  
23 imposed on sales of aviation fuel unless the tax revenue is  
24 expended for airport-related purposes. If the District does  
25 not have an airport-related purpose to which it dedicates  
26 aviation fuel tax revenue, then aviation fuel is excluded from

1 the tax. Each municipality must comply with the certification  
2 requirements for airport-related purposes under Section 2-22  
3 of the Retailers' Occupation Tax Act. For purposes of this  
4 Section, "airport-related purposes" has the meaning ascribed  
5 in Section 6z-20.2 of the State Finance Act. Beginning January  
6 1, 2021, this tax is not imposed on sales of aviation fuel for  
7 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
8 and 49 U.S.C. 47133 are binding on the District.

9 The tax imposed under this subsection and all civil  
10 penalties that may be assessed as an incident thereof shall be  
11 collected and enforced by the Department of Revenue. The  
12 certificate of registration that is issued by the Department  
13 to a retailer under the Retailers' Occupation Tax Act shall  
14 permit the retailer to engage in a business that is taxable  
15 under any ordinance or resolution enacted pursuant to this  
16 subsection without registering separately with the Department  
17 under such ordinance or resolution or under this subsection.  
18 The Department of Revenue shall have full power to administer  
19 and enforce this subsection; to collect all taxes and  
20 penalties due under this subsection in the manner hereinafter  
21 provided; and to determine all rights to credit memoranda  
22 arising on account of the erroneous payment of tax or penalty  
23 under this subsection. In the administration of, and  
24 compliance with, this subsection, the Department and persons  
25 who are subject to this subsection shall have the same rights,  
26 remedies, privileges, immunities, powers and duties, and be

1 subject to the same conditions, restrictions, limitations,  
2 penalties, exclusions, exemptions, and definitions of terms  
3 and employ the same modes of procedure, as are prescribed in  
4 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all  
5 provisions therein other than the State rate of tax), 2c  
6 through 2h, 3 (except as to the disposition of taxes and  
7 penalties collected, and except that the retailer's discount  
8 is not allowed for taxes paid on aviation fuel that are subject  
9 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
10 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,  
11 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers'  
12 Occupation Tax Act and all provisions of the Uniform Penalty  
13 and Interest Act, as fully as if those provisions were set  
14 forth herein.

15 Persons subject to any tax imposed under this subsection  
16 may reimburse themselves for their seller's tax liability  
17 under this subsection by separately stating the tax as an  
18 additional charge, which charge may be stated in combination,  
19 in a single amount, with State taxes that sellers are required  
20 to collect under the Use Tax Act, in accordance with such  
21 bracket schedules as the Department may prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this subsection to a claimant instead of issuing a  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the order to be drawn for the  
26 amount specified and to the person named in the notification

1 from the Department. The refund shall be paid by the State  
2 Treasurer out of the business district retailers' occupation  
3 tax fund or the Local Government Aviation Trust Fund, as  
4 appropriate.

5 Except as otherwise provided in this paragraph, the  
6 Department shall immediately pay over to the State Treasurer,  
7 ex officio, as trustee, all taxes, penalties, and interest  
8 collected under this subsection for deposit into the business  
9 district retailers' occupation tax fund. Taxes and penalties  
10 collected on aviation fuel sold on or after December 1, 2019,  
11 shall be immediately paid over by the Department to the State  
12 Treasurer, ex officio, as trustee, for deposit into the Local  
13 Government Aviation Trust Fund. The Department shall only pay  
14 moneys into the Local Government Aviation Trust Fund under  
15 this Section for so long as the revenue use requirements of 49  
16 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
17 District.

18 As soon as possible after the first day of each month,  
19 beginning January 1, 2011, upon certification of the  
20 Department of Revenue, the Comptroller shall order  
21 transferred, and the Treasurer shall transfer, to the STAR  
22 Bonds Revenue Fund the local sales tax increment, as defined  
23 in the Innovation Development and Economy Act, collected under  
24 this subsection during the second preceding calendar month for  
25 sales within a STAR bond district.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

1 on or before the 25th day of each calendar month, the  
2 Department shall prepare and certify to the Comptroller the  
3 disbursement of stated sums of money to named municipalities  
4 from the business district retailers' occupation tax fund, the  
5 municipalities to be those from which retailers have paid  
6 taxes or penalties under this subsection to the Department  
7 during the second preceding calendar month. The amount to be  
8 paid to each municipality shall be the amount (not including  
9 credit memoranda and not including taxes and penalties  
10 collected on aviation fuel sold on or after December 1, 2019)  
11 collected under this subsection during the second preceding  
12 calendar month by the Department plus an amount the Department  
13 determines is necessary to offset any amounts that were  
14 erroneously paid to a different taxing body, and not including  
15 an amount equal to the amount of refunds made during the second  
16 preceding calendar month by the Department, less 2% of that  
17 amount (except the amount collected on aviation fuel sold on  
18 or after December 1, 2019), which shall be deposited into the  
19 Tax Compliance and Administration Fund and shall be used by  
20 the Department, subject to appropriation, to cover the costs  
21 of the Department in administering and enforcing the  
22 provisions of this subsection, on behalf of such municipality,  
23 and not including any amount that the Department determines is  
24 necessary to offset any amounts that were payable to a  
25 different taxing body but were erroneously paid to the  
26 municipality, and not including any amounts that are



1 transferred to the STAR Bonds Revenue Fund. Within 10 days  
2 after receipt by the Comptroller of the disbursement  
3 certification to the municipalities provided for in this  
4 subsection to be given to the Comptroller by the Department,  
5 the Comptroller shall cause the orders to be drawn for the  
6 respective amounts in accordance with the directions contained  
7 in the certification. The proceeds of the tax paid to  
8 municipalities under this subsection shall be deposited into  
9 the Business District Tax Allocation Fund by the municipality.

10 An ordinance imposing or discontinuing the tax under this  
11 subsection or effecting a change in the rate thereof shall  
12 either (i) be adopted and a certified copy thereof filed with  
13 the Department on or before the first day of April, whereupon  
14 the Department, if all other requirements of this subsection  
15 are met, shall proceed to administer and enforce this  
16 subsection as of the first day of July next following the  
17 adoption and filing; or (ii) be adopted and a certified copy  
18 thereof filed with the Department on or before the first day of  
19 October, whereupon, if all other requirements of this  
20 subsection are met, the Department shall proceed to administer  
21 and enforce this subsection as of the first day of January next  
22 following the adoption and filing.

23 The Department of Revenue shall not administer or enforce  
24 an ordinance imposing, discontinuing, or changing the rate of  
25 the tax under this subsection, until the municipality also  
26 provides, in the manner prescribed by the Department, the

1 boundaries of the business district and each address in the  
2 business district in such a way that the Department can  
3 determine by its address whether a business is located in the  
4 business district. The municipality must provide this boundary  
5 and address information to the Department on or before April 1  
6 for administration and enforcement of the tax under this  
7 subsection by the Department beginning on the following July 1  
8 and on or before October 1 for administration and enforcement  
9 of the tax under this subsection by the Department beginning  
10 on the following January 1. The Department of Revenue shall  
11 not administer or enforce any change made to the boundaries of  
12 a business district or address change, addition, or deletion  
13 until the municipality reports the boundary change or address  
14 change, addition, or deletion to the Department in the manner  
15 prescribed by the Department. The municipality must provide  
16 this boundary change information or address change, addition,  
17 or deletion to the Department on or before April 1 for  
18 administration and enforcement by the Department of the change  
19 beginning on the following July 1 and on or before October 1  
20 for administration and enforcement by the Department of the  
21 change beginning on the following January 1. The retailers in  
22 the business district shall be responsible for charging the  
23 tax imposed under this subsection. If a retailer is  
24 incorrectly included or excluded from the list of those  
25 required to collect the tax under this subsection, both the  
26 Department of Revenue and the retailer shall be held harmless

1 if they reasonably relied on information provided by the  
2 municipality.

3 A municipality that imposes the tax under this subsection  
4 must submit to the Department of Revenue any other information  
5 as the Department may require for the administration and  
6 enforcement of the tax.

7 When certifying the amount of a monthly disbursement to a  
8 municipality under this subsection, the Department shall  
9 increase or decrease the amount by an amount necessary to  
10 offset any misallocation of previous disbursements. The offset  
11 amount shall be the amount erroneously disbursed within the  
12 previous 6 months from the time a misallocation is discovered.

13 Nothing in this subsection shall be construed to authorize  
14 the municipality to impose a tax upon the privilege of  
15 engaging in any business which under the Constitution of the  
16 United States may not be made the subject of taxation by this  
17 State.

18 If a tax is imposed under this subsection (b), a tax shall  
19 also be imposed under subsection (c) of this Section.

20 (c) If a tax has been imposed under subsection (b), a  
21 Business District Service Occupation Tax shall also be imposed  
22 upon all persons engaged, in the business district, in the  
23 business of making sales of service, who, as an incident to  
24 making those sales of service, transfer tangible personal  
25 property within the business district, either in the form of  
26 tangible personal property or in the form of real estate as an

1 incident to a sale of service. The tax shall be imposed at the  
2 same rate as the tax imposed in subsection (b) and shall not  
3 exceed 1% of the selling price of tangible personal property  
4 so transferred within the business district, to be imposed  
5 only in 0.25% increments. The tax may not be imposed on  
6 tangible personal property taxed at the 1% rate under the  
7 Service Occupation Tax Act (or at the 0% rate imposed under  
8 this amendatory Act of the 102nd General Assembly). Beginning  
9 December 1, 2019, this tax is not imposed on sales of aviation  
10 fuel unless the tax revenue is expended for airport-related  
11 purposes. If the District does not have an airport-related  
12 purpose to which it dedicates aviation fuel tax revenue, then  
13 aviation fuel is excluded from the tax. Each municipality must  
14 comply with the certification requirements for airport-related  
15 purposes under Section 2-22 of the Retailers' Occupation Tax  
16 Act. For purposes of this Act, "airport-related purposes" has  
17 the meaning ascribed in Section 6z-20.2 of the State Finance  
18 Act. Beginning January 1, 2021, this tax is not imposed on  
19 sales of aviation fuel for so long as the revenue use  
20 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
21 binding on the District.

22 The tax imposed under this subsection and all civil  
23 penalties that may be assessed as an incident thereof shall be  
24 collected and enforced by the Department of Revenue. The  
25 certificate of registration which is issued by the Department  
26 to a retailer under the Retailers' Occupation Tax Act or under

1 the Service Occupation Tax Act shall permit such registrant to  
2 engage in a business which is taxable under any ordinance or  
3 resolution enacted pursuant to this subsection without  
4 registering separately with the Department under such  
5 ordinance or resolution or under this subsection. The  
6 Department of Revenue shall have full power to administer and  
7 enforce this subsection; to collect all taxes and penalties  
8 due under this subsection; to dispose of taxes and penalties  
9 so collected in the manner hereinafter provided; and to  
10 determine all rights to credit memoranda arising on account of  
11 the erroneous payment of tax or penalty under this subsection.  
12 In the administration of, and compliance with this subsection,  
13 the Department and persons who are subject to this subsection  
14 shall have the same rights, remedies, privileges, immunities,  
15 powers and duties, and be subject to the same conditions,  
16 restrictions, limitations, penalties, exclusions, exemptions,  
17 and definitions of terms and employ the same modes of  
18 procedure as are prescribed in Sections 2, 2a through 2d, 3  
19 through 3-50 (in respect to all provisions therein other than  
20 the State rate of tax), 4 (except that the reference to the  
21 State shall be to the business district), 5, 7, 8 (except that  
22 the jurisdiction to which the tax shall be a debt to the extent  
23 indicated in that Section 8 shall be the municipality), 9  
24 (except as to the disposition of taxes and penalties  
25 collected, and except that the returned merchandise credit for  
26 this tax may not be taken against any State tax, and except

1 that the retailer's discount is not allowed for taxes paid on  
2 aviation fuel that are subject to the revenue use requirements  
3 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except  
4 the reference therein to Section 2b of the Retailers'  
5 Occupation Tax Act), 13 (except that any reference to the  
6 State shall mean the municipality), the first paragraph of  
7 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service  
8 Occupation Tax Act and all provisions of the Uniform Penalty  
9 and Interest Act, as fully as if those provisions were set  
10 forth herein.

11 Persons subject to any tax imposed under the authority  
12 granted in this subsection may reimburse themselves for their  
13 serviceman's tax liability hereunder by separately stating the  
14 tax as an additional charge, which charge may be stated in  
15 combination, in a single amount, with State tax that  
16 servicemen are authorized to collect under the Service Use Tax  
17 Act, in accordance with such bracket schedules as the  
18 Department may prescribe.

19 Whenever the Department determines that a refund should be  
20 made under this subsection to a claimant instead of issuing  
21 credit memorandum, the Department shall notify the State  
22 Comptroller, who shall cause the order to be drawn for the  
23 amount specified, and to the person named, in such  
24 notification from the Department. Such refund shall be paid by  
25 the State Treasurer out of the business district retailers'  
26 occupation tax fund or the Local Government Aviation Trust

1 Fund, as appropriate.

2 Except as otherwise provided in this paragraph, the  
3 Department shall forthwith pay over to the State Treasurer,  
4 ex-officio, as trustee, all taxes, penalties, and interest  
5 collected under this subsection for deposit into the business  
6 district retailers' occupation tax fund. Taxes and penalties  
7 collected on aviation fuel sold on or after December 1, 2019,  
8 shall be immediately paid over by the Department to the State  
9 Treasurer, ex officio, as trustee, for deposit into the Local  
10 Government Aviation Trust Fund. The Department shall only pay  
11 moneys into the Local Government Aviation Trust Fund under  
12 this Section for so long as the revenue use requirements of 49  
13 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
14 District.

15 As soon as possible after the first day of each month,  
16 beginning January 1, 2011, upon certification of the  
17 Department of Revenue, the Comptroller shall order  
18 transferred, and the Treasurer shall transfer, to the STAR  
19 Bonds Revenue Fund the local sales tax increment, as defined  
20 in the Innovation Development and Economy Act, collected under  
21 this subsection during the second preceding calendar month for  
22 sales within a STAR bond district.

23 After the monthly transfer to the STAR Bonds Revenue Fund,  
24 on or before the 25th day of each calendar month, the  
25 Department shall prepare and certify to the Comptroller the  
26 disbursement of stated sums of money to named municipalities

1 from the business district retailers' occupation tax fund, the  
2 municipalities to be those from which suppliers and servicemen  
3 have paid taxes or penalties under this subsection to the  
4 Department during the second preceding calendar month. The  
5 amount to be paid to each municipality shall be the amount (not  
6 including credit memoranda and not including taxes and  
7 penalties collected on aviation fuel sold on or after December  
8 1, 2019) collected under this subsection during the second  
9 preceding calendar month by the Department, less 2% of that  
10 amount (except the amount collected on aviation fuel sold on  
11 or after December 1, 2019), which shall be deposited into the  
12 Tax Compliance and Administration Fund and shall be used by  
13 the Department, subject to appropriation, to cover the costs  
14 of the Department in administering and enforcing the  
15 provisions of this subsection, and not including an amount  
16 equal to the amount of refunds made during the second  
17 preceding calendar month by the Department on behalf of such  
18 municipality, and not including any amounts that are  
19 transferred to the STAR Bonds Revenue Fund. Within 10 days  
20 after receipt, by the Comptroller, of the disbursement  
21 certification to the municipalities, provided for in this  
22 subsection to be given to the Comptroller by the Department,  
23 the Comptroller shall cause the orders to be drawn for the  
24 respective amounts in accordance with the directions contained  
25 in such certification. The proceeds of the tax paid to  
26 municipalities under this subsection shall be deposited into



1 the Business District Tax Allocation Fund by the municipality.

2 An ordinance imposing or discontinuing the tax under this  
3 subsection or effecting a change in the rate thereof shall  
4 either (i) be adopted and a certified copy thereof filed with  
5 the Department on or before the first day of April, whereupon  
6 the Department, if all other requirements of this subsection  
7 are met, shall proceed to administer and enforce this  
8 subsection as of the first day of July next following the  
9 adoption and filing; or (ii) be adopted and a certified copy  
10 thereof filed with the Department on or before the first day of  
11 October, whereupon, if all other conditions of this subsection  
12 are met, the Department shall proceed to administer and  
13 enforce this subsection as of the first day of January next  
14 following the adoption and filing.

15 The Department of Revenue shall not administer or enforce  
16 an ordinance imposing, discontinuing, or changing the rate of  
17 the tax under this subsection, until the municipality also  
18 provides, in the manner prescribed by the Department, the  
19 boundaries of the business district in such a way that the  
20 Department can determine by its address whether a business is  
21 located in the business district. The municipality must  
22 provide this boundary and address information to the  
23 Department on or before April 1 for administration and  
24 enforcement of the tax under this subsection by the Department  
25 beginning on the following July 1 and on or before October 1  
26 for administration and enforcement of the tax under this

1 subsection by the Department beginning on the following  
2 January 1. The Department of Revenue shall not administer or  
3 enforce any change made to the boundaries of a business  
4 district or address change, addition, or deletion until the  
5 municipality reports the boundary change or address change,  
6 addition, or deletion to the Department in the manner  
7 prescribed by the Department. The municipality must provide  
8 this boundary change information or address change, addition,  
9 or deletion to the Department on or before April 1 for  
10 administration and enforcement by the Department of the change  
11 beginning on the following July 1 and on or before October 1  
12 for administration and enforcement by the Department of the  
13 change beginning on the following January 1. The retailers in  
14 the business district shall be responsible for charging the  
15 tax imposed under this subsection. If a retailer is  
16 incorrectly included or excluded from the list of those  
17 required to collect the tax under this subsection, both the  
18 Department of Revenue and the retailer shall be held harmless  
19 if they reasonably relied on information provided by the  
20 municipality.

21 A municipality that imposes the tax under this subsection  
22 must submit to the Department of Revenue any other information  
23 as the Department may require for the administration and  
24 enforcement of the tax.

25 Nothing in this subsection shall be construed to authorize  
26 the municipality to impose a tax upon the privilege of

1 engaging in any business which under the Constitution of the  
2 United States may not be made the subject of taxation by the  
3 State.

4 If a tax is imposed under this subsection (c), a tax shall  
5 also be imposed under subsection (b) of this Section.

6 (c-5) If, on January 1, 2025, a unit of local government  
7 has in effect a tax under this Section, or if, after January 1,  
8 2025, a unit of local government imposes a tax under this  
9 Section, then that tax applies to leases of tangible personal  
10 property in effect, entered into, or renewed on or after that  
11 date in the same manner as the tax under this Section and in  
12 accordance with the changes made by this amendatory Act of the  
13 103rd General Assembly.

14 (d) By ordinance, a municipality that has designated a  
15 business district under this Law may impose an occupation tax  
16 upon all persons engaged in the business district in the  
17 business of renting, leasing, or letting rooms in a hotel, as  
18 defined in the Hotel Operators' Occupation Tax Act, at a rate  
19 not to exceed 1% of the gross rental receipts from the renting,  
20 leasing, or letting of hotel rooms within the business  
21 district, to be imposed only in 0.25% increments, excluding,  
22 however, from gross rental receipts the proceeds of renting,  
23 leasing, or letting to permanent residents of a hotel, as  
24 defined in the Hotel Operators' Occupation Tax Act, and  
25 proceeds from the tax imposed under subsection (c) of Section  
26 13 of the Metropolitan Pier and Exposition Authority Act.

1           The tax imposed by the municipality under this subsection  
2 and all civil penalties that may be assessed as an incident to  
3 that tax shall be collected and enforced by the municipality  
4 imposing the tax. The municipality shall have full power to  
5 administer and enforce this subsection, to collect all taxes  
6 and penalties due under this subsection, to dispose of taxes  
7 and penalties so collected in the manner provided in this  
8 subsection, and to determine all rights to credit memoranda  
9 arising on account of the erroneous payment of tax or penalty  
10 under this subsection. In the administration of and compliance  
11 with this subsection, the municipality and persons who are  
12 subject to this subsection shall have the same rights,  
13 remedies, privileges, immunities, powers, and duties, shall be  
14 subject to the same conditions, restrictions, limitations,  
15 penalties, and definitions of terms, and shall employ the same  
16 modes of procedure as are employed with respect to a tax  
17 adopted by the municipality under Section 8-3-14 of this Code.

18           Persons subject to any tax imposed under the authority  
19 granted in this subsection may reimburse themselves for their  
20 tax liability for that tax by separately stating that tax as an  
21 additional charge, which charge may be stated in combination,  
22 in a single amount, with State taxes imposed under the Hotel  
23 Operators' Occupation Tax Act, and with any other tax.

24           Nothing in this subsection shall be construed to authorize  
25 a municipality to impose a tax upon the privilege of engaging  
26 in any business which under the Constitution of the United

1 States may not be made the subject of taxation by this State.

2 The proceeds of the tax imposed under this subsection  
3 shall be deposited into the Business District Tax Allocation  
4 Fund.

5 (e) Obligations secured by the Business District Tax  
6 Allocation Fund may be issued to provide for the payment or  
7 reimbursement of business district project costs. Those  
8 obligations, when so issued, shall be retired in the manner  
9 provided in the ordinance authorizing the issuance of those  
10 obligations by the receipts of taxes imposed pursuant to  
11 subsections (10) and (11) of Section 11-74.3-3 and by other  
12 revenue designated or pledged by the municipality. A  
13 municipality may in the ordinance pledge, for any period of  
14 time up to and including the dissolution date, all or any part  
15 of the funds in and to be deposited in the Business District  
16 Tax Allocation Fund to the payment of business district  
17 project costs and obligations. Whenever a municipality pledges  
18 all of the funds to the credit of a business district tax  
19 allocation fund to secure obligations issued or to be issued  
20 to pay or reimburse business district project costs, the  
21 municipality may specifically provide that funds remaining to  
22 the credit of such business district tax allocation fund after  
23 the payment of such obligations shall be accounted for  
24 annually and shall be deemed to be "surplus" funds, and such  
25 "surplus" funds shall be expended by the municipality for any  
26 business district project cost as approved in the business

1 district plan. Whenever a municipality pledges less than all  
2 of the monies to the credit of a business district tax  
3 allocation fund to secure obligations issued or to be issued  
4 to pay or reimburse business district project costs, the  
5 municipality shall provide that monies to the credit of the  
6 business district tax allocation fund and not subject to such  
7 pledge or otherwise encumbered or required for payment of  
8 contractual obligations for specific business district project  
9 costs shall be calculated annually and shall be deemed to be  
10 "surplus" funds, and such "surplus" funds shall be expended by  
11 the municipality for any business district project cost as  
12 approved in the business district plan.

13 No obligation issued pursuant to this Law and secured by a  
14 pledge of all or any portion of any revenues received or to be  
15 received by the municipality from the imposition of taxes  
16 pursuant to subsection (10) of Section 11-74.3-3, shall be  
17 deemed to constitute an economic incentive agreement under  
18 Section 8-11-20, notwithstanding the fact that such pledge  
19 provides for the sharing, rebate, or payment of retailers'  
20 occupation taxes or service occupation taxes imposed pursuant  
21 to subsection (10) of Section 11-74.3-3 and received or to be  
22 received by the municipality from the development or  
23 redevelopment of properties in the business district.

24 Without limiting the foregoing in this Section, the  
25 municipality may further secure obligations secured by the  
26 business district tax allocation fund with a pledge, for a

1 period not greater than the term of the obligations and in any  
2 case not longer than the dissolution date, of any part or any  
3 combination of the following: (i) net revenues of all or part  
4 of any business district project; (ii) taxes levied or imposed  
5 by the municipality on any or all property in the  
6 municipality, including, specifically, taxes levied or imposed  
7 by the municipality in a special service area pursuant to the  
8 Special Service Area Tax Law; (iii) the full faith and credit  
9 of the municipality; (iv) a mortgage on part or all of the  
10 business district project; or (v) any other taxes or  
11 anticipated receipts that the municipality may lawfully  
12 pledge.

13 Such obligations may be issued in one or more series, bear  
14 such date or dates, become due at such time or times as therein  
15 provided, but in any case not later than (i) 20 years after the  
16 date of issue or (ii) the dissolution date, whichever is  
17 earlier, bear interest payable at such intervals and at such  
18 rate or rates as set forth therein, except as may be limited by  
19 applicable law, which rate or rates may be fixed or variable,  
20 be in such denominations, be in such form, either coupon,  
21 registered, or book-entry, carry such conversion, registration  
22 and exchange privileges, be subject to defeasance upon such  
23 terms, have such rank or priority, be executed in such manner,  
24 be payable in such medium or payment at such place or places  
25 within or without the State, make provision for a corporate  
26 trustee within or without the State with respect to such

1 obligations, prescribe the rights, powers, and duties thereof  
2 to be exercised for the benefit of the municipality and the  
3 benefit of the owners of such obligations, provide for the  
4 holding in trust, investment, and use of moneys, funds, and  
5 accounts held under an ordinance, provide for assignment of  
6 and direct payment of the moneys to pay such obligations or to  
7 be deposited into such funds or accounts directly to such  
8 trustee, be subject to such terms of redemption with or  
9 without premium, and be sold at such price, all as the  
10 corporate authorities shall determine. No referendum approval  
11 of the electors shall be required as a condition to the  
12 issuance of obligations pursuant to this Law except as  
13 provided in this Section.

14 In the event the municipality authorizes the issuance of  
15 obligations pursuant to the authority of this Law secured by  
16 the full faith and credit of the municipality, or pledges ad  
17 valorem taxes pursuant to this subsection, which obligations  
18 are other than obligations which may be issued under home rule  
19 powers provided by Section 6 of Article VII of the Illinois  
20 Constitution or which ad valorem taxes are other than ad  
21 valorem taxes which may be pledged under home rule powers  
22 provided by Section 6 of Article VII of the Illinois  
23 Constitution or which are levied in a special service area  
24 pursuant to the Special Service Area Tax Law, the ordinance  
25 authorizing the issuance of those obligations or pledging  
26 those taxes shall be published within 10 days after the



1 ordinance has been adopted, in a newspaper having a general  
2 circulation within the municipality. The publication of the  
3 ordinance shall be accompanied by a notice of (i) the specific  
4 number of voters required to sign a petition requesting the  
5 question of the issuance of the obligations or pledging such  
6 ad valorem taxes to be submitted to the electors; (ii) the time  
7 within which the petition must be filed; and (iii) the date of  
8 the prospective referendum. The municipal clerk shall provide  
9 a petition form to any individual requesting one.

10 If no petition is filed with the municipal clerk, as  
11 hereinafter provided in this Section, within 21 days after the  
12 publication of the ordinance, the ordinance shall be in  
13 effect. However, if within that 21-day period a petition is  
14 filed with the municipal clerk, signed by electors numbering  
15 not less than 15% of the number of electors voting for the  
16 mayor or president at the last general municipal election,  
17 asking that the question of issuing obligations using full  
18 faith and credit of the municipality as security for the cost  
19 of paying or reimbursing business district project costs, or  
20 of pledging such ad valorem taxes for the payment of those  
21 obligations, or both, be submitted to the electors of the  
22 municipality, the municipality shall not be authorized to  
23 issue obligations of the municipality using the full faith and  
24 credit of the municipality as security or pledging such ad  
25 valorem taxes for the payment of those obligations, or both,  
26 until the proposition has been submitted to and approved by a

1 majority of the voters voting on the proposition at a  
2 regularly scheduled election. The municipality shall certify  
3 the proposition to the proper election authorities for  
4 submission in accordance with the general election law.

5 The ordinance authorizing the obligations may provide that  
6 the obligations shall contain a recital that they are issued  
7 pursuant to this Law, which recital shall be conclusive  
8 evidence of their validity and of the regularity of their  
9 issuance.

10 In the event the municipality authorizes issuance of  
11 obligations pursuant to this Law secured by the full faith and  
12 credit of the municipality, the ordinance authorizing the  
13 obligations may provide for the levy and collection of a  
14 direct annual tax upon all taxable property within the  
15 municipality sufficient to pay the principal thereof and  
16 interest thereon as it matures, which levy may be in addition  
17 to and exclusive of the maximum of all other taxes authorized  
18 to be levied by the municipality, which levy, however, shall  
19 be abated to the extent that monies from other sources are  
20 available for payment of the obligations and the municipality  
21 certifies the amount of those monies available to the county  
22 clerk.

23 A certified copy of the ordinance shall be filed with the  
24 county clerk of each county in which any portion of the  
25 municipality is situated, and shall constitute the authority  
26 for the extension and collection of the taxes to be deposited

1 in the business district tax allocation fund.

2 A municipality may also issue its obligations to refund,  
3 in whole or in part, obligations theretofore issued by the  
4 municipality under the authority of this Law, whether at or  
5 prior to maturity. However, the last maturity of the refunding  
6 obligations shall not be expressed to mature later than the  
7 dissolution date.

8 In the event a municipality issues obligations under home  
9 rule powers or other legislative authority, the proceeds of  
10 which are pledged to pay or reimburse business district  
11 project costs, the municipality may, if it has followed the  
12 procedures in conformance with this Law, retire those  
13 obligations from funds in the business district tax allocation  
14 fund in amounts and in such manner as if those obligations had  
15 been issued pursuant to the provisions of this Law.

16 No obligations issued pursuant to this Law shall be  
17 regarded as indebtedness of the municipality issuing those  
18 obligations or any other taxing district for the purpose of  
19 any limitation imposed by law.

20 Obligations issued pursuant to this Law shall not be  
21 subject to the provisions of the Bond Authorization Act.

22 (f) When business district project costs, including,  
23 without limitation, all obligations paying or reimbursing  
24 business district project costs have been paid, any surplus  
25 funds then remaining in the Business District Tax Allocation  
26 Fund shall be distributed to the municipal treasurer for

1 deposit into the general corporate fund of the municipality.  
2 Upon payment of all business district project costs and  
3 retirement of all obligations paying or reimbursing business  
4 district project costs, but in no event more than 23 years  
5 after the date of adoption of the ordinance imposing taxes  
6 pursuant to subsection (10) or (11) of Section 11-74.3-3, the  
7 municipality shall adopt an ordinance immediately rescinding  
8 the taxes imposed pursuant to subsection (10) or (11) of  
9 Section 11-74.3-3.

10 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19;  
11 102-700, eff. 4-19-22.)

12 Section 75-40. The Civic Center Code is amended by  
13 changing Section 245-12 as follows:

14 (70 ILCS 200/245-12)

15 Sec. 245-12. Use and occupation taxes.

16 (a) The Authority may adopt a resolution that authorizes a  
17 referendum on the question of whether the Authority shall be  
18 authorized to impose a retailers' occupation tax, a service  
19 occupation tax, and a use tax in one-quarter percent  
20 increments at a rate not to exceed 1%. The Authority shall  
21 certify the question to the proper election authorities who  
22 shall submit the question to the voters of the metropolitan  
23 area at the next regularly scheduled election in accordance  
24 with the general election law. The question shall be in

1 substantially the following form:

2 "Shall the Salem Civic Center Authority be authorized to  
3 impose a retailers' occupation tax, a service occupation  
4 tax, and a use tax at the rate of (rate) for the sole  
5 purpose of obtaining funds for the support, construction,  
6 maintenance, or financing of a facility of the Authority?"  
7 Votes shall be recorded as "yes" or "no".

8 If a majority of all votes cast on the proposition are in  
9 favor of the proposition, the Authority is authorized to  
10 impose the tax.

11 (b) The Authority shall impose the retailers' occupation  
12 tax upon all persons engaged in the business of selling  
13 tangible personal property at retail in the metropolitan area,  
14 at the rate approved by referendum, on the gross receipts from  
15 the sales made in the course of such business within the  
16 metropolitan area. Beginning December 1, 2019 and through  
17 December 31, 2020, this tax is not imposed on sales of aviation  
18 fuel unless the tax revenue is expended for airport-related  
19 purposes. If the Authority does not have an airport-related  
20 purpose to which it dedicates aviation fuel tax revenue, then  
21 aviation fuel is excluded from the tax. The Authority must  
22 comply with the certification requirements for airport-related  
23 purposes under Section 2-22 of the Retailers' Occupation Tax  
24 Act. For purposes of this Section, "airport-related purposes"  
25 has the meaning ascribed in Section 6z-20.2 of the State  
26 Finance Act. Beginning January 1, 2021, this tax is not

1 imposed on sales of aviation fuel for so long as the revenue  
2 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
3 binding on the Authority.

4 The tax imposed under this Section and all civil penalties  
5 that may be assessed as an incident thereof shall be collected  
6 and enforced by the Department of Revenue. The Department has  
7 full power to administer and enforce this Section; to collect  
8 all taxes and penalties so collected in the manner provided in  
9 this Section; and to determine all rights to credit memoranda  
10 arising on account of the erroneous payment of tax or penalty  
11 hereunder. In the administration of, and compliance with, this  
12 Section, the Department and persons who are subject to this  
13 Section shall (i) have the same rights, remedies, privileges,  
14 immunities, powers and duties, (ii) be subject to the same  
15 conditions, restrictions, limitations, penalties, exclusions,  
16 exemptions, and definitions of terms, and (iii) employ the  
17 same modes of procedure as are prescribed in Sections 1, 1a,  
18 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10  
19 (in respect to all provisions therein other than the State  
20 rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except as  
21 to the disposition of taxes and penalties collected and  
22 provisions related to quarter monthly payments, and except  
23 that the retailer's discount is not allowed for taxes paid on  
24 aviation fuel that are subject to the revenue use requirements  
25 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
26 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,

1 11a, 12, and 13 of the Retailers' Occupation Tax Act and  
2 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
3 as if those provisions were set forth in this subsection.

4 Persons subject to any tax imposed under this subsection  
5 may reimburse themselves for their seller's tax liability by  
6 separately stating the tax as an additional charge, which  
7 charge may be stated in combination, in a single amount, with  
8 State taxes that sellers are required to collect, in  
9 accordance with such bracket schedules as the Department may  
10 prescribe.

11 Whenever the Department determines that a refund should be  
12 made under this subsection to a claimant instead of issuing a  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the warrant to be drawn for the  
15 amount specified, and to the person named, in the notification  
16 from the Department. The refund shall be paid by the State  
17 Treasurer out of the tax fund referenced under paragraph (g)  
18 of this Section or the Local Government Aviation Trust Fund,  
19 as appropriate.

20 If a tax is imposed under this subsection (b), a tax shall  
21 also be imposed at the same rate under subsections (c) and (d)  
22 of this Section.

23 For the purpose of determining whether a tax authorized  
24 under this Section is applicable, a retail sale, by a producer  
25 of coal or other mineral mined in Illinois, is a sale at retail  
26 at the place where the coal or other mineral mined in Illinois

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

6 Nothing in this Section shall be construed to authorize  
7 the Authority to impose a tax upon the privilege of engaging in  
8 any business which under the Constitution of the United States  
9 may not be made the subject of taxation by this State.

10 (c) If a tax has been imposed under subsection (b), a  
11 service occupation tax shall also be imposed at the same rate  
12 upon all persons engaged, in the metropolitan area, in the  
13 business of making sales of service, who, as an incident to  
14 making those sales of service, transfer tangible personal  
15 property within the metropolitan area as an incident to a sale  
16 of service. The tax imposed under this subsection and all  
17 civil penalties that may be assessed as an incident thereof  
18 shall be collected and enforced by the Department of Revenue.

19 Beginning December 1, 2019 and through December 31, 2020,  
20 this tax is not imposed on sales of aviation fuel unless the  
21 tax revenue is expended for airport-related purposes. If the  
22 Authority does not have an airport-related purpose to which it  
23 dedicates aviation fuel tax revenue, then aviation fuel is  
24 excluded from the tax. The Authority must comply with the  
25 certification requirements for airport-related purposes under  
26 Section 2-22 of the Retailers' Occupation Tax Act. Beginning



1 January 1, 2021, this tax is not imposed on sales of aviation  
2 fuel for so long as the revenue use requirements of 49 U.S.C.  
3 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

4 The Department has full power to administer and enforce  
5 this paragraph; to collect all taxes and penalties due  
6 hereunder; to dispose of taxes and penalties so collected in  
7 the manner hereinafter provided; and to determine all rights  
8 to credit memoranda arising on account of the erroneous  
9 payment of tax or penalty hereunder. In the administration of,  
10 and compliance with this paragraph, the Department and persons  
11 who are subject to this paragraph shall (i) have the same  
12 rights, remedies, privileges, immunities, powers, and duties,  
13 (ii) be subject to the same conditions, restrictions,  
14 limitations, penalties, exclusions, exemptions, and  
15 definitions of terms, and (iii) employ the same modes of  
16 procedure as are prescribed in Sections 2 (except that the  
17 reference to State in the definition of supplier maintaining a  
18 place of business in this State shall mean the metropolitan  
19 area), 2a, 2b, 3 through 3-55 (in respect to all provisions  
20 therein other than the State rate of tax), 4 (except that the  
21 reference to the State shall be to the Authority), 5, 7, 8  
22 (except that the jurisdiction to which the tax shall be a debt  
23 to the extent indicated in that Section 8 shall be the  
24 Authority), 9 (except as to the disposition of taxes and  
25 penalties collected, and except that the returned merchandise  
26 credit for this tax may not be taken against any State tax, and

1 except that the retailer's discount is not allowed for taxes  
2 paid on aviation fuel that are subject to the revenue use  
3 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 11,  
4 12 (except the reference therein to Section 2b of the  
5 Retailers' Occupation Tax Act), 13 (except that any reference  
6 to the State shall mean the Authority), 15, 16, 17, 18, 19 and  
7 20 of the Service Occupation Tax Act and Section 3-7 of the  
8 Uniform Penalty and Interest Act, as fully as if those  
9 provisions were set forth herein.

10 Persons subject to any tax imposed under the authority  
11 granted in this subsection may reimburse themselves for their  
12 serviceman's tax liability by separately stating the tax as an  
13 additional charge, which charge may be stated in combination,  
14 in a single amount, with State tax that servicemen are  
15 authorized to collect under the Service Use Tax Act, in  
16 accordance with such bracket schedules as the Department may  
17 prescribe.

18 Whenever the Department determines that a refund should be  
19 made under this subsection to a claimant instead of issuing a  
20 credit memorandum, the Department shall notify the State  
21 Comptroller, who shall cause the warrant to be drawn for the  
22 amount specified, and to the person named, in the notification  
23 from the Department. The refund shall be paid by the State  
24 Treasurer out of the tax fund referenced under paragraph (g)  
25 of this Section or the Local Government Aviation Trust Fund,  
26 as appropriate.

1           Nothing in this paragraph shall be construed to authorize  
2 the Authority to impose a tax upon the privilege of engaging in  
3 any business which under the Constitution of the United States  
4 may not be made the subject of taxation by the State.

5           (c-5) If, on January 1, 2025, a unit of local government  
6 has in effect a tax under this Section, or if, after January 1,  
7 2025, a unit of local government imposes a tax under this  
8 Section, then that tax applies to leases of tangible personal  
9 property in effect, entered into, or renewed on or after that  
10 date in the same manner as the tax under this Section and in  
11 accordance with the changes made by this amendatory Act of the  
12 103rd General Assembly.

13           (d) If a tax has been imposed under subsection (b), a use  
14 tax shall also be imposed at the same rate upon the privilege  
15 of using, in the metropolitan area, any item of tangible  
16 personal property that is purchased outside the metropolitan  
17 area at retail from a retailer, and that is titled or  
18 registered at a location within the metropolitan area with an  
19 agency of this State's government. "Selling price" is defined  
20 as in the Use Tax Act. The tax shall be collected from persons  
21 whose Illinois address for titling or registration purposes is  
22 given as being in the metropolitan area. The tax shall be  
23 collected by the Department of Revenue for the Authority. The  
24 tax must be paid to the State, or an exemption determination  
25 must be obtained from the Department of Revenue, before the  
26 title or certificate of registration for the property may be

1 issued. The tax or proof of exemption may be transmitted to the  
2 Department by way of the State agency with which, or the State  
3 officer with whom, the tangible personal property must be  
4 titled or registered if the Department and the State agency or  
5 State officer determine that this procedure will expedite the  
6 processing of applications for title or registration.

7 The Department has full power to administer and enforce  
8 this paragraph; to collect all taxes, penalties and interest  
9 due hereunder; to dispose of taxes, penalties and interest so  
10 collected in the manner hereinafter provided; and to determine  
11 all rights to credit memoranda or refunds arising on account  
12 of the erroneous payment of tax, penalty or interest  
13 hereunder. In the administration of, and compliance with, this  
14 subsection, the Department and persons who are subject to this  
15 paragraph shall (i) have the same rights, remedies,  
16 privileges, immunities, powers, and duties, (ii) be subject to  
17 the same conditions, restrictions, limitations, penalties,  
18 exclusions, exemptions, and definitions of terms, and (iii)  
19 employ the same modes of procedure as are prescribed in  
20 Sections 2 (except the definition of "retailer maintaining a  
21 place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55,  
22 3-65, 3-70, 3-85, 3a, 4, 6, 7, 8 (except that the jurisdiction  
23 to which the tax shall be a debt to the extent indicated in  
24 that Section 8 shall be the Authority), 9 (except provisions  
25 relating to quarter monthly payments), 10, 11, 12, 12a, 12b,  
26 13, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Section

1 3-7 of the Uniform Penalty and Interest Act, that are not  
2 inconsistent with this paragraph, as fully as if those  
3 provisions were set forth herein.

4 Whenever the Department determines that a refund should be  
5 made under this subsection to a claimant instead of issuing a  
6 credit memorandum, the Department shall notify the State  
7 Comptroller, who shall cause the order to be drawn for the  
8 amount specified, and to the person named, in the notification  
9 from the Department. The refund shall be paid by the State  
10 Treasurer out of the tax fund referenced under paragraph (g)  
11 of this Section.

12 (e) A certificate of registration issued by the State  
13 Department of Revenue to a retailer under the Retailers'  
14 Occupation Tax Act or under the Service Occupation Tax Act  
15 shall permit the registrant to engage in a business that is  
16 taxed under the tax imposed under paragraphs (b), (c), or (d)  
17 of this Section and no additional registration shall be  
18 required. A certificate issued under the Use Tax Act or the  
19 Service Use Tax Act shall be applicable with regard to any tax  
20 imposed under paragraph (c) of this Section.

21 (f) The results of any election authorizing a proposition  
22 to impose a tax under this Section or effecting a change in the  
23 rate of tax shall be certified by the proper election  
24 authorities and filed with the Illinois Department on or  
25 before the first day of April. In addition, an ordinance  
26 imposing, discontinuing, or effecting a change in the rate of

1 tax under this Section shall be adopted and a certified copy  
2 thereof filed with the Department on or before the first day of  
3 April. After proper receipt of such certifications, the  
4 Department shall proceed to administer and enforce this  
5 Section as of the first day of July next following such  
6 adoption and filing.

7 (g) Except as otherwise provided, the Department of  
8 Revenue shall, upon collecting any taxes and penalties as  
9 provided in this Section, pay the taxes and penalties over to  
10 the State Treasurer as trustee for the Authority. The taxes  
11 and penalties shall be held in a trust fund outside the State  
12 Treasury. Taxes and penalties collected on aviation fuel sold  
13 on or after December 1, 2019 and through December 31, 2020,  
14 shall be immediately paid over by the Department to the State  
15 Treasurer, *ex officio*, as trustee, for deposit into the Local  
16 Government Aviation Trust Fund. The Department shall only pay  
17 moneys into the Local Government Aviation Trust Fund under  
18 this Section for so long as the revenue use requirements of 49  
19 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
20 District. On or before the 25th day of each calendar month, the  
21 Department of Revenue shall prepare and certify to the  
22 Comptroller of the State of Illinois the amount to be paid to  
23 the Authority, which shall be the balance in the fund, less any  
24 amount determined by the Department to be necessary for the  
25 payment of refunds and not including taxes and penalties  
26 collected on aviation fuel sold on or after December 1, 2019.

1 Within 10 days after receipt by the Comptroller of the  
2 certification of the amount to be paid to the Authority, the  
3 Comptroller shall cause an order to be drawn for payment for  
4 the amount in accordance with the directions contained in the  
5 certification. Amounts received from the tax imposed under  
6 this Section shall be used only for the support, construction,  
7 maintenance, or financing of a facility of the Authority.

8 (h) When certifying the amount of a monthly disbursement  
9 to the Authority under this Section, the Department shall  
10 increase or decrease the amounts by an amount necessary to  
11 offset any miscalculation of previous disbursements. The  
12 offset amount shall be the amount erroneously disbursed within  
13 the previous 6 months from the time a miscalculation is  
14 discovered.

15 (i) This Section may be cited as the Salem Civic Center Use  
16 and Occupation Tax Law.

17 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

18 Section 75-45. The Flood Prevention District Act is  
19 amended by changing Section 25 as follows:

20 (70 ILCS 750/25)

21 Sec. 25. Flood prevention retailers' and service  
22 occupation taxes.

23 (a) If the Board of Commissioners of a flood prevention  
24 district determines that an emergency situation exists

1 regarding levee repair or flood prevention, and upon an  
2 ordinance confirming the determination adopted by the  
3 affirmative vote of a majority of the members of the county  
4 board of the county in which the district is situated, the  
5 county may impose a flood prevention retailers' occupation tax  
6 upon all persons engaged in the business of selling tangible  
7 personal property at retail within the territory of the  
8 district to provide revenue to pay the costs of providing  
9 emergency levee repair and flood prevention and to secure the  
10 payment of bonds, notes, and other evidences of indebtedness  
11 issued under this Act for a period not to exceed 25 years or as  
12 required to repay the bonds, notes, and other evidences of  
13 indebtedness issued under this Act. The tax rate shall be  
14 0.25% of the gross receipts from all taxable sales made in the  
15 course of that business. Beginning December 1, 2019 and  
16 through December 31, 2020, this tax is not imposed on sales of  
17 aviation fuel unless the tax revenue is expended for  
18 airport-related purposes. If the District does not have an  
19 airport-related purpose to which it dedicates aviation fuel  
20 tax revenue, then aviation fuel is excluded from the tax. The  
21 County must comply with the certification requirements for  
22 airport-related purposes under Section 2-22 of the Retailers'  
23 Occupation Tax Act. The tax imposed under this Section and all  
24 civil penalties that may be assessed as an incident thereof  
25 shall be collected and enforced by the State Department of  
26 Revenue. The Department shall have full power to administer



1 and enforce this Section; to collect all taxes and penalties  
2 so collected in the manner hereinafter provided; and to  
3 determine all rights to credit memoranda arising on account of  
4 the erroneous payment of tax or penalty hereunder.

5 For purposes of this Act, "airport-related purposes" has  
6 the meaning ascribed in Section 6z-20.2 of the State Finance  
7 Act. Beginning January 1, 2021, this tax is not imposed on  
8 sales of aviation fuel for so long as the revenue use  
9 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
10 binding on the District.

11 In the administration of and compliance with this  
12 subsection, the Department and persons who are subject to this  
13 subsection (i) have the same rights, remedies, privileges,  
14 immunities, powers, and duties, (ii) are subject to the same  
15 conditions, restrictions, limitations, penalties, and  
16 definitions of terms, and (iii) shall employ the same modes of  
17 procedure as are set forth in Sections 1 through 1o, 2 through  
18 2-70 (in respect to all provisions contained in those Sections  
19 other than the State rate of tax), 2a through 2h, 3 (except as  
20 to the disposition of taxes and penalties collected, and  
21 except that the retailer's discount is not allowed for taxes  
22 paid on aviation fuel that are subject to the revenue use  
23 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
24 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7,  
25 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax  
26 Act and all provisions of the Uniform Penalty and Interest Act

1 as if those provisions were set forth in this subsection.

2 Persons subject to any tax imposed under this Section may  
3 reimburse themselves for their seller's tax liability  
4 hereunder by separately stating the tax as an additional  
5 charge, which charge may be stated in combination in a single  
6 amount with State taxes that sellers are required to collect  
7 under the Use Tax Act, under any bracket schedules the  
8 Department may prescribe.

9 If a tax is imposed under this subsection (a), a tax shall  
10 also be imposed under subsection (b) of this Section.

11 (b) If a tax has been imposed under subsection (a), a flood  
12 prevention service occupation tax shall also be imposed upon  
13 all persons engaged within the territory of the district in  
14 the business of making sales of service, who, as an incident to  
15 making the sales of service, transfer tangible personal  
16 property, either in the form of tangible personal property or  
17 in the form of real estate as an incident to a sale of service  
18 to provide revenue to pay the costs of providing emergency  
19 levee repair and flood prevention and to secure the payment of  
20 bonds, notes, and other evidences of indebtedness issued under  
21 this Act for a period not to exceed 25 years or as required to  
22 repay the bonds, notes, and other evidences of indebtedness.  
23 The tax rate shall be 0.25% of the selling price of all  
24 tangible personal property transferred. Beginning December 1,  
25 2019 and through December 31, 2020, this tax is not imposed on  
26 sales of aviation fuel unless the tax revenue is expended for

1 airport-related purposes. If the District does not have an  
2 airport-related purpose to which it dedicates aviation fuel  
3 tax revenue, then aviation fuel is excluded from the tax. The  
4 County must comply with the certification requirements for  
5 airport-related purposes under Section 2-22 of the Retailers'  
6 Occupation Tax Act. For purposes of this Act, "airport-related  
7 purposes" has the meaning ascribed in Section 6z-20.2 of the  
8 State Finance Act. Beginning January 1, 2021, this tax is not  
9 imposed on sales of aviation fuel for so long as the revenue  
10 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
11 binding on the District.

12 The tax imposed under this subsection and all civil  
13 penalties that may be assessed as an incident thereof shall be  
14 collected and enforced by the State Department of Revenue. The  
15 Department shall have full power to administer and enforce  
16 this subsection; to collect all taxes and penalties due  
17 hereunder; to dispose of taxes and penalties collected in the  
18 manner hereinafter provided; and to determine all rights to  
19 credit memoranda arising on account of the erroneous payment  
20 of tax or penalty hereunder.

21 In the administration of and compliance with this  
22 subsection, the Department and persons who are subject to this  
23 subsection shall (i) have the same rights, remedies,  
24 privileges, immunities, powers, and duties, (ii) be subject to  
25 the same conditions, restrictions, limitations, penalties, and  
26 definitions of terms, and (iii) employ the same modes of

1 procedure as are set forth in Sections 2 (except that the  
2 reference to State in the definition of supplier maintaining a  
3 place of business in this State means the district), 2a  
4 through 2d, 3 through 3-50 (in respect to all provisions  
5 contained in those Sections other than the State rate of tax),  
6 4 (except that the reference to the State shall be to the  
7 district), 5, 7, 8 (except that the jurisdiction to which the  
8 tax is a debt to the extent indicated in that Section 8 is the  
9 district), 9 (except as to the disposition of taxes and  
10 penalties collected, and except that the retailer's discount  
11 is not allowed for taxes paid on aviation fuel that are subject  
12 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
13 U.S.C. 47133), 10, 11, 12 (except the reference therein to  
14 Section 2b of the Retailers' Occupation Tax Act), 13 (except  
15 that any reference to the State means the district), Section  
16 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act  
17 and all provisions of the Uniform Penalty and Interest Act, as  
18 fully as if those provisions were set forth herein.

19 Persons subject to any tax imposed under the authority  
20 granted in this subsection may reimburse themselves for their  
21 serviceman's tax liability hereunder by separately stating the  
22 tax as an additional charge, that charge may be stated in  
23 combination in a single amount with State tax that servicemen  
24 are authorized to collect under the Service Use Tax Act, under  
25 any bracket schedules the Department may prescribe.

26 (c) The taxes imposed in subsections (a) and (b) may not be

1 imposed on personal property titled or registered with an  
2 agency of the State or on personal property taxed at the 1%  
3 rate under the Retailers' Occupation Tax Act and the Service  
4 Occupation Tax Act (or at the 0% rate imposed under this  
5 amendatory Act of the 102nd General Assembly).

6 (c-5) If, on January 1, 2025, a unit of local government  
7 has in effect a tax under this Section, or if, after January 1,  
8 2025, a unit of local government imposes a tax under this  
9 Section, then that tax applies to leases of tangible personal  
10 property in effect, entered into, or renewed on or after that  
11 date in the same manner as the tax under this Section and in  
12 accordance with the changes made by this amendatory Act of the  
13 103rd General Assembly.

14 (d) Nothing in this Section shall be construed to  
15 authorize the district to impose a tax upon the privilege of  
16 engaging in any business that under the Constitution of the  
17 United States may not be made the subject of taxation by the  
18 State.

19 (e) The certificate of registration that is issued by the  
20 Department to a retailer under the Retailers' Occupation Tax  
21 Act or a serviceman under the Service Occupation Tax Act  
22 permits the retailer or serviceman to engage in a business  
23 that is taxable without registering separately with the  
24 Department under an ordinance or resolution under this  
25 Section.

26 (f) Except as otherwise provided, the Department shall

1 immediately pay over to the State Treasurer, ex officio, as  
2 trustee, all taxes and penalties collected under this Section  
3 to be deposited into the Flood Prevention Occupation Tax Fund,  
4 which shall be an unappropriated trust fund held outside the  
5 State treasury. Taxes and penalties collected on aviation fuel  
6 sold on or after December 1, 2019 and through December 31,  
7 2020, shall be immediately paid over by the Department to the  
8 State Treasurer, ex officio, as trustee, for deposit into the  
9 Local Government Aviation Trust Fund. The Department shall  
10 only pay moneys into the Local Government Aviation Trust Fund  
11 under this Act for so long as the revenue use requirements of  
12 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
13 District.

14 On or before the 25th day of each calendar month, the  
15 Department shall prepare and certify to the Comptroller the  
16 disbursement of stated sums of money to the counties from  
17 which retailers or servicemen have paid taxes or penalties to  
18 the Department during the second preceding calendar month. The  
19 amount to be paid to each county is equal to the amount (not  
20 including credit memoranda and not including taxes and  
21 penalties collected on aviation fuel sold on or after December  
22 1, 2019 and through December 31, 2020) collected from the  
23 county under this Section during the second preceding calendar  
24 month by the Department, (i) less 2% of that amount (except the  
25 amount collected on aviation fuel sold on or after December 1,  
26 2019 and through December 31, 2020), which shall be deposited

1 into the Tax Compliance and Administration Fund and shall be  
2 used by the Department in administering and enforcing the  
3 provisions of this Section on behalf of the county, (ii) plus  
4 an amount that the Department determines is necessary to  
5 offset any amounts that were erroneously paid to a different  
6 taxing body; (iii) less an amount equal to the amount of  
7 refunds made during the second preceding calendar month by the  
8 Department on behalf of the county; and (iv) less any amount  
9 that the Department determines is necessary to offset any  
10 amounts that were payable to a different taxing body but were  
11 erroneously paid to the county. When certifying the amount of  
12 a monthly disbursement to a county under this Section, the  
13 Department shall increase or decrease the amounts by an amount  
14 necessary to offset any miscalculation of previous  
15 disbursements within the previous 6 months from the time a  
16 miscalculation is discovered.

17 Within 10 days after receipt by the Comptroller from the  
18 Department of the disbursement certification to the counties  
19 provided for in this Section, the Comptroller shall cause the  
20 orders to be drawn for the respective amounts in accordance  
21 with directions contained in the certification.

22 If the Department determines that a refund should be made  
23 under this Section to a claimant instead of issuing a credit  
24 memorandum, then the Department shall notify the Comptroller,  
25 who shall cause the order to be drawn for the amount specified  
26 and to the person named in the notification from the

1 Department. The refund shall be paid by the Treasurer out of  
2 the Flood Prevention Occupation Tax Fund or the Local  
3 Government Aviation Trust Fund, as appropriate.

4 (g) If a county imposes a tax under this Section, then the  
5 county board shall, by ordinance, discontinue the tax upon the  
6 payment of all indebtedness of the flood prevention district.  
7 The tax shall not be discontinued until all indebtedness of  
8 the District has been paid.

9 (h) Any ordinance imposing the tax under this Section, or  
10 any ordinance that discontinues the tax, must be certified by  
11 the county clerk and filed with the Illinois Department of  
12 Revenue either (i) on or before the first day of April,  
13 whereupon the Department shall proceed to administer and  
14 enforce the tax or change in the rate as of the first day of  
15 July next following the filing; or (ii) on or before the first  
16 day of October, whereupon the Department shall proceed to  
17 administer and enforce the tax or change in the rate as of the  
18 first day of January next following the filing.

19 (j) County Flood Prevention Occupation Tax Fund. All  
20 proceeds received by a county from a tax distribution under  
21 this Section must be maintained in a special fund known as the  
22 [name of county] flood prevention occupation tax fund. The  
23 county shall, at the direction of the flood prevention  
24 district, use moneys in the fund to pay the costs of providing  
25 emergency levee repair and flood prevention and to pay bonds,  
26 notes, and other evidences of indebtedness issued under this



1 Act.

2 (k) This Section may be cited as the Flood Prevention  
3 Occupation Tax Law.

4 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19;  
5 102-700, eff. 4-19-22.)

6 Section 75-50. The Metro-East Park and Recreation District  
7 Act is amended by changing Section 30 as follows:

8 (70 ILCS 1605/30)

9 Sec. 30. Taxes.

10 (a) The board shall impose a tax upon all persons engaged  
11 in the business of selling tangible personal property, other  
12 than personal property titled or registered with an agency of  
13 this State's government, at retail in the District on the  
14 gross receipts from the sales made in the course of business.  
15 This tax shall be imposed only at the rate of one-tenth of one  
16 per cent.

17 This additional tax may not be imposed on tangible  
18 personal property taxed at the 1% rate under the Retailers'  
19 Occupation Tax Act (or at the 0% rate imposed under this  
20 amendatory Act of the 102nd General Assembly). Beginning  
21 December 1, 2019 and through December 31, 2020, this tax is not  
22 imposed on sales of aviation fuel unless the tax revenue is  
23 expended for airport-related purposes. If the District does  
24 not have an airport-related purpose to which it dedicates

1 aviation fuel tax revenue, then aviation fuel shall be  
2 excluded from tax. The board must comply with the  
3 certification requirements for airport-related purposes under  
4 Section 2-22 of the Retailers' Occupation Tax Act. For  
5 purposes of this Act, "airport-related purposes" has the  
6 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
7 Beginning January 1, 2021, this tax is not imposed on sales of  
8 aviation fuel for so long as the revenue use requirements of 49  
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
10 District. The tax imposed by the Board under this Section and  
11 all civil penalties that may be assessed as an incident of the  
12 tax shall be collected and enforced by the Department of  
13 Revenue. The certificate of registration that is issued by the  
14 Department to a retailer under the Retailers' Occupation Tax  
15 Act shall permit the retailer to engage in a business that is  
16 taxable without registering separately with the Department  
17 under an ordinance or resolution under this Section. The  
18 Department has full power to administer and enforce this  
19 Section, to collect all taxes and penalties due under this  
20 Section, to dispose of taxes and penalties so collected in the  
21 manner provided in this Section, and to determine all rights  
22 to credit memoranda arising on account of the erroneous  
23 payment of a tax or penalty under this Section. In the  
24 administration of and compliance with this Section, the  
25 Department and persons who are subject to this Section shall  
26 (i) have the same rights, remedies, privileges, immunities,

1 powers, and duties, (ii) be subject to the same conditions,  
2 restrictions, limitations, penalties, and definitions of  
3 terms, and (iii) employ the same modes of procedure as are  
4 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,  
5 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions  
6 contained in those Sections other than the State rate of tax),  
7 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions  
8 relating to transaction returns and quarter monthly payments,  
9 and except that the retailer's discount is not allowed for  
10 taxes paid on aviation fuel that are subject to the revenue use  
11 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
12 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,  
13 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
14 Occupation Tax Act and the Uniform Penalty and Interest Act as  
15 if those provisions were set forth in this Section.

16 Persons subject to any tax imposed under the authority  
17 granted in this Section may reimburse themselves for their  
18 sellers' tax liability by separately stating the tax as an  
19 additional charge, which charge may be stated in combination,  
20 in a single amount, with State tax which sellers are required  
21 to collect under the Use Tax Act, pursuant to such bracketed  
22 schedules as the Department may prescribe.

23 Whenever the Department determines that a refund should be  
24 made under this Section to a claimant instead of issuing a  
25 credit memorandum, the Department shall notify the State  
26 Comptroller, who shall cause the order to be drawn for the

1 amount specified and to the person named in the notification  
2 from the Department. The refund shall be paid by the State  
3 Treasurer out of the State Metro-East Park and Recreation  
4 District Fund or the Local Government Aviation Trust Fund, as  
5 appropriate.

6 (b) If a tax has been imposed under subsection (a), a  
7 service occupation tax shall also be imposed at the same rate  
8 upon all persons engaged, in the District, in the business of  
9 making sales of service, who, as an incident to making those  
10 sales of service, transfer tangible personal property within  
11 the District as an incident to a sale of service. This tax may  
12 not be imposed on tangible personal property taxed at the 1%  
13 rate under the Service Occupation Tax Act (or at the 0% rate  
14 imposed under this amendatory Act of the 102nd General  
15 Assembly). Beginning December 1, 2019 and through December 31,  
16 2020, this tax may not be imposed on sales of aviation fuel  
17 unless the tax revenue is expended for airport-related  
18 purposes. If the District does not have an airport-related  
19 purpose to which it dedicates aviation fuel tax revenue, then  
20 aviation fuel shall be excluded from tax. The board must  
21 comply with the certification requirements for airport-related  
22 purposes under Section 2-22 of the Retailers' Occupation Tax  
23 Act. For purposes of this Act, "airport-related purposes" has  
24 the meaning ascribed in Section 6z-20.2 of the State Finance  
25 Act. Beginning January 1, 2021, this tax is not imposed on  
26 sales of aviation fuel for so long as the revenue use

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
2 binding on the District. The tax imposed under this subsection  
3 and all civil penalties that may be assessed as an incident  
4 thereof shall be collected and enforced by the Department of  
5 Revenue. The Department has full power to administer and  
6 enforce this subsection; to collect all taxes and penalties  
7 due hereunder; to dispose of taxes and penalties so collected  
8 in the manner hereinafter provided; and to determine all  
9 rights to credit memoranda arising on account of the erroneous  
10 payment of tax or penalty hereunder. In the administration of,  
11 and compliance with this subsection, the Department and  
12 persons who are subject to this paragraph shall (i) have the  
13 same rights, remedies, privileges, immunities, powers, and  
14 duties, (ii) be subject to the same conditions, restrictions,  
15 limitations, penalties, exclusions, exemptions, and  
16 definitions of terms, and (iii) employ the same modes of  
17 procedure as are prescribed in Sections 2 (except that the  
18 reference to State in the definition of supplier maintaining a  
19 place of business in this State shall mean the District), 2a,  
20 2b, 2c, 3 through 3-50 (in respect to all provisions therein  
21 other than the State rate of tax), 4 (except that the reference  
22 to the State shall be to the District), 5, 7, 8 (except that  
23 the jurisdiction to which the tax shall be a debt to the extent  
24 indicated in that Section 8 shall be the District), 9 (except  
25 as to the disposition of taxes and penalties collected, and  
26 except that the retailer's discount is not allowed for taxes

1 paid on aviation fuel that are subject to the revenue use  
2 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,  
3 11, 12 (except the reference therein to Section 2b of the  
4 Retailers' Occupation Tax Act), 13 (except that any reference  
5 to the State shall mean the District), Sections 15, 16, 17, 18,  
6 19 and 20 of the Service Occupation Tax Act and the Uniform  
7 Penalty and Interest Act, as fully as if those provisions were  
8 set forth herein.

9 Persons subject to any tax imposed under the authority  
10 granted in this subsection may reimburse themselves for their  
11 serviceman's tax liability by separately stating the tax as an  
12 additional charge, which charge may be stated in combination,  
13 in a single amount, with State tax that servicemen are  
14 authorized to collect under the Service Use Tax Act, in  
15 accordance with such bracket schedules as the Department may  
16 prescribe.

17 Whenever the Department determines that a refund should be  
18 made under this subsection to a claimant instead of issuing a  
19 credit memorandum, the Department shall notify the State  
20 Comptroller, who shall cause the warrant to be drawn for the  
21 amount specified, and to the person named, in the notification  
22 from the Department. The refund shall be paid by the State  
23 Treasurer out of the State Metro-East Park and Recreation  
24 District Fund or the Local Government Aviation Trust Fund, as  
25 appropriate.

26 Nothing in this subsection shall be construed to authorize

1 the board to impose a tax upon the privilege of engaging in any  
2 business which under the Constitution of the United States may  
3 not be made the subject of taxation by the State.

4 (b-5) If, on January 1, 2025, a unit of local government  
5 has in effect a tax under this Section, or if, after January 1,  
6 2025, a unit of local government imposes a tax under this  
7 Section, then that tax applies to leases of tangible personal  
8 property in effect, entered into, or renewed on or after that  
9 date in the same manner as the tax under this Section and in  
10 accordance with the changes made by this amendatory Act of the  
11 103rd General Assembly.

12 (c) Except as otherwise provided in this paragraph, the  
13 Department shall immediately pay over to the State Treasurer,  
14 ex officio, as trustee, all taxes and penalties collected  
15 under this Section to be deposited into the State Metro-East  
16 Park and Recreation District Fund, which shall be an  
17 unappropriated trust fund held outside of the State treasury.  
18 Taxes and penalties collected on aviation fuel sold on or  
19 after December 1, 2019 and through December 31, 2020, shall be  
20 immediately paid over by the Department to the State  
21 Treasurer, ex officio, as trustee, for deposit into the Local  
22 Government Aviation Trust Fund. The Department shall only pay  
23 moneys into the Local Government Aviation Trust Fund under  
24 this Act for so long as the revenue use requirements of 49  
25 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
26 District.

1           As soon as possible after the first day of each month,  
2 beginning January 1, 2011, upon certification of the  
3 Department of Revenue, the Comptroller shall order  
4 transferred, and the Treasurer shall transfer, to the STAR  
5 Bonds Revenue Fund the local sales tax increment, as defined  
6 in the Innovation Development and Economy Act, collected under  
7 this Section during the second preceding calendar month for  
8 sales within a STAR bond district. The Department shall make  
9 this certification only if the Metro East Park and Recreation  
10 District imposes a tax on real property as provided in the  
11 definition of "local sales taxes" under the Innovation  
12 Development and Economy Act.

13           After the monthly transfer to the STAR Bonds Revenue Fund,  
14 on or before the 25th day of each calendar month, the  
15 Department shall prepare and certify to the Comptroller the  
16 disbursement of stated sums of money pursuant to Section 35 of  
17 this Act to the District from which retailers have paid taxes  
18 or penalties to the Department during the second preceding  
19 calendar month. The amount to be paid to the District shall be  
20 the amount (not including credit memoranda and not including  
21 taxes and penalties collected on aviation fuel sold on or  
22 after December 1, 2019 and through December 31, 2020)  
23 collected under this Section during the second preceding  
24 calendar month by the Department plus an amount the Department  
25 determines is necessary to offset any amounts that were  
26 erroneously paid to a different taxing body, and not including



1 (i) an amount equal to the amount of refunds made during the  
2 second preceding calendar month by the Department on behalf of  
3 the District, (ii) any amount that the Department determines  
4 is necessary to offset any amounts that were payable to a  
5 different taxing body but were erroneously paid to the  
6 District, (iii) any amounts that are transferred to the STAR  
7 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the  
8 Department shall transfer into the Tax Compliance and  
9 Administration Fund. The Department, at the time of each  
10 monthly disbursement to the District, shall prepare and  
11 certify to the State Comptroller the amount to be transferred  
12 into the Tax Compliance and Administration Fund under this  
13 subsection. Within 10 days after receipt by the Comptroller of  
14 the disbursement certification to the District and the Tax  
15 Compliance and Administration Fund provided for in this  
16 Section to be given to the Comptroller by the Department, the  
17 Comptroller shall cause the orders to be drawn for the  
18 respective amounts in accordance with directions contained in  
19 the certification.

20 (d) For the purpose of determining whether a tax  
21 authorized under this Section is applicable, a retail sale by  
22 a producer of coal or another mineral mined in Illinois is a  
23 sale at retail at the place where the coal or other mineral  
24 mined in Illinois is extracted from the earth. This paragraph  
25 does not apply to coal or another mineral when it is delivered  
26 or shipped by the seller to the purchaser at a point outside

1 Illinois so that the sale is exempt under the United States  
2 Constitution as a sale in interstate or foreign commerce.

3 (e) Nothing in this Section shall be construed to  
4 authorize the board to impose a tax upon the privilege of  
5 engaging in any business that under the Constitution of the  
6 United States may not be made the subject of taxation by this  
7 State.

8 (f) An ordinance imposing a tax under this Section or an  
9 ordinance extending the imposition of a tax to an additional  
10 county or counties shall be certified by the board and filed  
11 with the Department of Revenue either (i) on or before the  
12 first day of April, whereupon the Department shall proceed to  
13 administer and enforce the tax as of the first day of July next  
14 following the filing; or (ii) on or before the first day of  
15 October, whereupon the Department shall proceed to administer  
16 and enforce the tax as of the first day of January next  
17 following the filing.

18 (g) When certifying the amount of a monthly disbursement  
19 to the District under this Section, the Department shall  
20 increase or decrease the amounts by an amount necessary to  
21 offset any misallocation of previous disbursements. The offset  
22 amount shall be the amount erroneously disbursed within the  
23 previous 6 months from the time a misallocation is discovered.

24 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
25 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

1 Section 75-55. The Local Mass Transit District Act is  
2 amended by changing Section 5.01 as follows:

3 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

4 Sec. 5.01. Metro East Mass Transit District; use and  
5 occupation taxes.

6 (a) The Board of Trustees of any Metro East Mass Transit  
7 District may, by ordinance adopted with the concurrence of  
8 two-thirds of the then trustees, impose throughout the  
9 District any or all of the taxes and fees provided in this  
10 Section. Except as otherwise provided, all taxes and fees  
11 imposed under this Section shall be used only for public mass  
12 transportation systems, and the amount used to provide mass  
13 transit service to unserved areas of the District shall be in  
14 the same proportion to the total proceeds as the number of  
15 persons residing in the unserved areas is to the total  
16 population of the District. Except as otherwise provided in  
17 this Act, taxes imposed under this Section and civil penalties  
18 imposed incident thereto shall be collected and enforced by  
19 the State Department of Revenue. The Department shall have the  
20 power to administer and enforce the taxes and to determine all  
21 rights for refunds for erroneous payments of the taxes.

22 (b) The Board may impose a Metro East Mass Transit  
23 District Retailers' Occupation Tax upon all persons engaged in  
24 the business of selling tangible personal property at retail  
25 in the district at a rate of 1/4 of 1%, or as authorized under

1 subsection (d-5) of this Section, of the gross receipts from  
2 the sales made in the course of such business within the  
3 district, except that the rate of tax imposed under this  
4 Section on sales of aviation fuel on or after December 1, 2019  
5 shall be 0.25% in Madison County unless the Metro-East Mass  
6 Transit District in Madison County has an "airport-related  
7 purpose" and any additional amount authorized under subsection  
8 (d-5) is expended for airport-related purposes. If there is no  
9 airport-related purpose to which aviation fuel tax revenue is  
10 dedicated, then aviation fuel is excluded from any additional  
11 amount authorized under subsection (d-5). The rate in St.  
12 Clair County shall be 0.25% unless the Metro-East Mass Transit  
13 District in St. Clair County has an "airport-related purpose"  
14 and the additional 0.50% of the 0.75% tax on aviation fuel  
15 imposed in that County is expended for airport-related  
16 purposes. If there is no airport-related purpose to which  
17 aviation fuel tax revenue is dedicated, then aviation fuel is  
18 excluded from the additional 0.50% of the 0.75% tax.

19 The Board must comply with the certification requirements  
20 for airport-related purposes under Section 2-22 of the  
21 Retailers' Occupation Tax Act. For purposes of this Section,  
22 "airport-related purposes" has the meaning ascribed in Section  
23 6z-20.2 of the State Finance Act. This exclusion for aviation  
24 fuel only applies for so long as the revenue use requirements  
25 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
26 District.

1           The tax imposed under this Section and all civil penalties  
2 that may be assessed as an incident thereof shall be collected  
3 and enforced by the State Department of Revenue. The  
4 Department shall have full power to administer and enforce  
5 this Section; to collect all taxes and penalties so collected  
6 in the manner hereinafter provided; and to determine all  
7 rights to credit memoranda arising on account of the erroneous  
8 payment of tax or penalty hereunder. In the administration of,  
9 and compliance with, this Section, the Department and persons  
10 who are subject to this Section shall have the same rights,  
11 remedies, privileges, immunities, powers and duties, and be  
12 subject to the same conditions, restrictions, limitations,  
13 penalties, exclusions, exemptions and definitions of terms and  
14 employ the same modes of procedure, as are prescribed in  
15 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65  
16 (in respect to all provisions therein other than the State  
17 rate of tax), 2c, 3 (except as to the disposition of taxes and  
18 penalties collected, and except that the retailer's discount  
19 is not allowed for taxes paid on aviation fuel that are subject  
20 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
21 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,  
22 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of the  
23 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
24 Penalty and Interest Act, as fully as if those provisions were  
25 set forth herein.

26           Persons subject to any tax imposed under the Section may

1 reimburse themselves for their seller's tax liability  
2 hereunder by separately stating the tax as an additional  
3 charge, which charge may be stated in combination, in a single  
4 amount, with State taxes that sellers are required to collect  
5 under the Use Tax Act, in accordance with such bracket  
6 schedules as the Department may prescribe.

7 Whenever the Department determines that a refund should be  
8 made under this Section to a claimant instead of issuing a  
9 credit memorandum, the Department shall notify the State  
10 Comptroller, who shall cause the warrant to be drawn for the  
11 amount specified, and to the person named, in the notification  
12 from the Department. The refund shall be paid by the State  
13 Treasurer out of the Metro East Mass Transit District tax fund  
14 established under paragraph (h) of this Section or the Local  
15 Government Aviation Trust Fund, as appropriate.

16 If a tax is imposed under this subsection (b), a tax shall  
17 also be imposed under subsections (c) and (d) of this Section.

18 For the purpose of determining whether a tax authorized  
19 under this Section is applicable, a retail sale, by a producer  
20 of coal or other mineral mined in Illinois, is a sale at retail  
21 at the place where the coal or other mineral mined in Illinois  
22 is extracted from the earth. This paragraph does not apply to  
23 coal or other mineral when it is delivered or shipped by the  
24 seller to the purchaser at a point outside Illinois so that the  
25 sale is exempt under the Federal Constitution as a sale in  
26 interstate or foreign commerce.

1           No tax shall be imposed or collected under this subsection  
2 on the sale of a motor vehicle in this State to a resident of  
3 another state if that motor vehicle will not be titled in this  
4 State.

5           Nothing in this Section shall be construed to authorize  
6 the Metro East Mass Transit District to impose a tax upon the  
7 privilege of engaging in any business which under the  
8 Constitution of the United States may not be made the subject  
9 of taxation by this State.

10           (c) If a tax has been imposed under subsection (b), a Metro  
11 East Mass Transit District Service Occupation Tax shall also  
12 be imposed upon all persons engaged, in the district, in the  
13 business of making sales of service, who, as an incident to  
14 making those sales of service, transfer tangible personal  
15 property within the District, either in the form of tangible  
16 personal property or in the form of real estate as an incident  
17 to a sale of service. The tax rate shall be 1/4%, or as  
18 authorized under subsection (d-5) of this Section, of the  
19 selling price of tangible personal property so transferred  
20 within the district, except that the rate of tax imposed in  
21 these Counties under this Section on sales of aviation fuel on  
22 or after December 1, 2019 shall be 0.25% in Madison County  
23 unless the Metro-East Mass Transit District in Madison County  
24 has an "airport-related purpose" and any additional amount  
25 authorized under subsection (d-5) is expended for  
26 airport-related purposes. If there is no airport-related

1 purpose to which aviation fuel tax revenue is dedicated, then  
2 aviation fuel is excluded from any additional amount  
3 authorized under subsection (d-5). The rate in St. Clair  
4 County shall be 0.25% unless the Metro-East Mass Transit  
5 District in St. Clair County has an "airport-related purpose"  
6 and the additional 0.50% of the 0.75% tax on aviation fuel is  
7 expended for airport-related purposes. If there is no  
8 airport-related purpose to which aviation fuel tax revenue is  
9 dedicated, then aviation fuel is excluded from the additional  
10 0.50% of the 0.75% tax.

11 The Board must comply with the certification requirements  
12 for airport-related purposes under Section 2-22 of the  
13 Retailers' Occupation Tax Act. For purposes of this Section,  
14 "airport-related purposes" has the meaning ascribed in Section  
15 6z-20.2 of the State Finance Act. This exclusion for aviation  
16 fuel only applies for so long as the revenue use requirements  
17 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
18 District.

19 The tax imposed under this paragraph and all civil  
20 penalties that may be assessed as an incident thereof shall be  
21 collected and enforced by the State Department of Revenue. The  
22 Department shall have full power to administer and enforce  
23 this paragraph; to collect all taxes and penalties due  
24 hereunder; to dispose of taxes and penalties so collected in  
25 the manner hereinafter provided; and to determine all rights  
26 to credit memoranda arising on account of the erroneous



1 payment of tax or penalty hereunder. In the administration of,  
2 and compliance with this paragraph, the Department and persons  
3 who are subject to this paragraph shall have the same rights,  
4 remedies, privileges, immunities, powers and duties, and be  
5 subject to the same conditions, restrictions, limitations,  
6 penalties, exclusions, exemptions and definitions of terms and  
7 employ the same modes of procedure as are prescribed in  
8 Sections 1a-1, 2 (except that the reference to State in the  
9 definition of supplier maintaining a place of business in this  
10 State shall mean the Authority), 2a, 3 through 3-50 (in  
11 respect to all provisions therein other than the State rate of  
12 tax), 4 (except that the reference to the State shall be to the  
13 Authority), 5, 7, 8 (except that the jurisdiction to which the  
14 tax shall be a debt to the extent indicated in that Section 8  
15 shall be the District), 9 (except as to the disposition of  
16 taxes and penalties collected, and except that the returned  
17 merchandise credit for this tax may not be taken against any  
18 State tax, and except that the retailer's discount is not  
19 allowed for taxes paid on aviation fuel that are subject to the  
20 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
21 47133), 10, 11, 12 (except the reference therein to Section 2b  
22 of the Retailers' Occupation Tax Act), 13 (except that any  
23 reference to the State shall mean the District), the first  
24 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service  
25 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
26 Interest Act, as fully as if those provisions were set forth

1 herein.

2 Persons subject to any tax imposed under the authority  
3 granted in this paragraph may reimburse themselves for their  
4 serviceman's tax liability hereunder by separately stating the  
5 tax as an additional charge, which charge may be stated in  
6 combination, in a single amount, with State tax that  
7 servicemen are authorized to collect under the Service Use Tax  
8 Act, in accordance with such bracket schedules as the  
9 Department may prescribe.

10 Whenever the Department determines that a refund should be  
11 made under this paragraph to a claimant instead of issuing a  
12 credit memorandum, the Department shall notify the State  
13 Comptroller, who shall cause the warrant to be drawn for the  
14 amount specified, and to the person named, in the notification  
15 from the Department. The refund shall be paid by the State  
16 Treasurer out of the Metro East Mass Transit District tax fund  
17 established under paragraph (h) of this Section or the Local  
18 Government Aviation Trust Fund, as appropriate.

19 Nothing in this paragraph shall be construed to authorize  
20 the District to impose a tax upon the privilege of engaging in  
21 any business which under the Constitution of the United States  
22 may not be made the subject of taxation by the State.

23 (d) If a tax has been imposed under subsection (b), a Metro  
24 East Mass Transit District Use Tax shall also be imposed upon  
25 the privilege of using, in the district, any item of tangible  
26 personal property that is purchased outside the district at

1 retail from a retailer, and that is titled or registered with  
2 an agency of this State's government, at a rate of 1/4%, or as  
3 authorized under subsection (d-5) of this Section, of the  
4 selling price of the tangible personal property within the  
5 District, as "selling price" is defined in the Use Tax Act. The  
6 tax shall be collected from persons whose Illinois address for  
7 titling or registration purposes is given as being in the  
8 District. The tax shall be collected by the Department of  
9 Revenue for the Metro East Mass Transit District. The tax must  
10 be paid to the State, or an exemption determination must be  
11 obtained from the Department of Revenue, before the title or  
12 certificate of registration for the property may be issued.  
13 The tax or proof of exemption may be transmitted to the  
14 Department by way of the State agency with which, or the State  
15 officer with whom, the tangible personal property must be  
16 titled or registered if the Department and the State agency or  
17 State officer determine that this procedure will expedite the  
18 processing of applications for title or registration.

19 The Department shall have full power to administer and  
20 enforce this paragraph; to collect all taxes, penalties and  
21 interest due hereunder; to dispose of taxes, penalties and  
22 interest so collected in the manner hereinafter provided; and  
23 to determine all rights to credit memoranda or refunds arising  
24 on account of the erroneous payment of tax, penalty or  
25 interest hereunder. In the administration of, and compliance  
26 with, this paragraph, the Department and persons who are

1 subject to this paragraph shall have the same rights,  
2 remedies, privileges, immunities, powers and duties, and be  
3 subject to the same conditions, restrictions, limitations,  
4 penalties, exclusions, exemptions and definitions of terms and  
5 employ the same modes of procedure, as are prescribed in  
6 Sections 2 (except the definition of "retailer maintaining a  
7 place of business in this State"), 3 through 3-80 (except  
8 provisions pertaining to the State rate of tax, and except  
9 provisions concerning collection or refunding of the tax by  
10 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions  
11 pertaining to claims by retailers and except the last  
12 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act  
13 and Section 3-7 of the Uniform Penalty and Interest Act, that  
14 are not inconsistent with this paragraph, as fully as if those  
15 provisions were set forth herein.

16 Whenever the Department determines that a refund should be  
17 made under this paragraph to a claimant instead of issuing a  
18 credit memorandum, the Department shall notify the State  
19 Comptroller, who shall cause the order to be drawn for the  
20 amount specified, and to the person named, in the notification  
21 from the Department. The refund shall be paid by the State  
22 Treasurer out of the Metro East Mass Transit District tax fund  
23 established under paragraph (h) of this Section.

24 (d-1) If, on January 1, 2025, a unit of local government  
25 has in effect a tax under subsections (b), (c), and (d) or if,  
26 after January 1, 2025, a unit of local government imposes a tax

1 under subsections (b), (c), and (d), then that tax applies to  
2 leases of tangible personal property in effect, entered into,  
3 or renewed on or after that date in the same manner as the tax  
4 under this Section and in accordance with the changes made by  
5 this amendatory Act of the 103rd General Assembly.

6 (d-5) (A) The county board of any county participating in  
7 the Metro East Mass Transit District may authorize, by  
8 ordinance, a referendum on the question of whether the tax  
9 rates for the Metro East Mass Transit District Retailers'  
10 Occupation Tax, the Metro East Mass Transit District Service  
11 Occupation Tax, and the Metro East Mass Transit District Use  
12 Tax for the District should be increased from 0.25% to 0.75%.  
13 Upon adopting the ordinance, the county board shall certify  
14 the proposition to the proper election officials who shall  
15 submit the proposition to the voters of the District at the  
16 next election, in accordance with the general election law.

17 The proposition shall be in substantially the following  
18 form:

19 Shall the tax rates for the Metro East Mass Transit  
20 District Retailers' Occupation Tax, the Metro East Mass  
21 Transit District Service Occupation Tax, and the Metro  
22 East Mass Transit District Use Tax be increased from 0.25%  
23 to 0.75%?

24 (B) Two thousand five hundred electors of any Metro East  
25 Mass Transit District may petition the Chief Judge of the  
26 Circuit Court, or any judge of that Circuit designated by the

1 Chief Judge, in which that District is located to cause to be  
2 submitted to a vote of the electors the question whether the  
3 tax rates for the Metro East Mass Transit District Retailers'  
4 Occupation Tax, the Metro East Mass Transit District Service  
5 Occupation Tax, and the Metro East Mass Transit District Use  
6 Tax for the District should be increased from 0.25% to 0.75%.

7 Upon submission of such petition the court shall set a  
8 date not less than 10 nor more than 30 days thereafter for a  
9 hearing on the sufficiency thereof. Notice of the filing of  
10 such petition and of such date shall be given in writing to the  
11 District and the County Clerk at least 7 days before the date  
12 of such hearing.

13 If such petition is found sufficient, the court shall  
14 enter an order to submit that proposition at the next  
15 election, in accordance with general election law.

16 The form of the petition shall be in substantially the  
17 following form: To the Circuit Court of the County of (name of  
18 county):

19 We, the undersigned electors of the (name of transit  
20 district), respectfully petition your honor to submit to a  
21 vote of the electors of (name of transit district) the  
22 following proposition:

23 Shall the tax rates for the Metro East Mass Transit  
24 District Retailers' Occupation Tax, the Metro East Mass  
25 Transit District Service Occupation Tax, and the Metro  
26 East Mass Transit District Use Tax be increased from 0.25%

1 to 0.75%?

2 Name Address, with Street and Number.

3 .....

4 .....

5 (C) The votes shall be recorded as "YES" or "NO". If a  
6 majority of all votes cast on the proposition are for the  
7 increase in the tax rates, the Metro East Mass Transit  
8 District shall begin imposing the increased rates in the  
9 District, and the Department of Revenue shall begin collecting  
10 the increased amounts, as provided under this Section. An  
11 ordinance imposing or discontinuing a tax hereunder or  
12 effecting a change in the rate thereof shall be adopted and a  
13 certified copy thereof filed with the Department on or before  
14 the first day of October, whereupon the Department shall  
15 proceed to administer and enforce this Section as of the first  
16 day of January next following the adoption and filing, or on or  
17 before the first day of April, whereupon the Department shall  
18 proceed to administer and enforce this Section as of the first  
19 day of July next following the adoption and filing.

20 (D) If the voters have approved a referendum under this  
21 subsection, before November 1, 1994, to increase the tax rate  
22 under this subsection, the Metro East Mass Transit District  
23 Board of Trustees may adopt by a majority vote an ordinance at  
24 any time before January 1, 1995 that excludes from the rate  
25 increase tangible personal property that is titled or  
26 registered with an agency of this State's government. The

1 ordinance excluding titled or registered tangible personal  
2 property from the rate increase must be filed with the  
3 Department at least 15 days before its effective date. At any  
4 time after adopting an ordinance excluding from the rate  
5 increase tangible personal property that is titled or  
6 registered with an agency of this State's government, the  
7 Metro East Mass Transit District Board of Trustees may adopt  
8 an ordinance applying the rate increase to that tangible  
9 personal property. The ordinance shall be adopted, and a  
10 certified copy of that ordinance shall be filed with the  
11 Department, on or before October 1, whereupon the Department  
12 shall proceed to administer and enforce the rate increase  
13 against tangible personal property titled or registered with  
14 an agency of this State's government as of the following  
15 January 1. After December 31, 1995, any reimposed rate  
16 increase in effect under this subsection shall no longer apply  
17 to tangible personal property titled or registered with an  
18 agency of this State's government. Beginning January 1, 1996,  
19 the Board of Trustees of any Metro East Mass Transit District  
20 may never reimpose a previously excluded tax rate increase on  
21 tangible personal property titled or registered with an agency  
22 of this State's government. After July 1, 2004, if the voters  
23 have approved a referendum under this subsection to increase  
24 the tax rate under this subsection, the Metro East Mass  
25 Transit District Board of Trustees may adopt by a majority  
26 vote an ordinance that excludes from the rate increase



1 tangible personal property that is titled or registered with  
2 an agency of this State's government. The ordinance excluding  
3 titled or registered tangible personal property from the rate  
4 increase shall be adopted, and a certified copy of that  
5 ordinance shall be filed with the Department on or before  
6 October 1, whereupon the Department shall administer and  
7 enforce this exclusion from the rate increase as of the  
8 following January 1, or on or before April 1, whereupon the  
9 Department shall administer and enforce this exclusion from  
10 the rate increase as of the following July 1. The Board of  
11 Trustees of any Metro East Mass Transit District may never  
12 reimpose a previously excluded tax rate increase on tangible  
13 personal property titled or registered with an agency of this  
14 State's government.

15 (d-6) If the Board of Trustees of any Metro East Mass  
16 Transit District has imposed a rate increase under subsection  
17 (d-5) and filed an ordinance with the Department of Revenue  
18 excluding titled property from the higher rate, then that  
19 Board may, by ordinance adopted with the concurrence of  
20 two-thirds of the then trustees, impose throughout the  
21 District a fee. The fee on the excluded property shall not  
22 exceed \$20 per retail transaction or an amount equal to the  
23 amount of tax excluded, whichever is less, on tangible  
24 personal property that is titled or registered with an agency  
25 of this State's government. Beginning July 1, 2004, the fee  
26 shall apply only to titled property that is subject to either

1 the Metro East Mass Transit District Retailers' Occupation Tax  
2 or the Metro East Mass Transit District Service Occupation  
3 Tax. No fee shall be imposed or collected under this  
4 subsection on the sale of a motor vehicle in this State to a  
5 resident of another state if that motor vehicle will not be  
6 titled in this State.

7 (d-7) Until June 30, 2004, if a fee has been imposed under  
8 subsection (d-6), a fee shall also be imposed upon the  
9 privilege of using, in the district, any item of tangible  
10 personal property that is titled or registered with any agency  
11 of this State's government, in an amount equal to the amount of  
12 the fee imposed under subsection (d-6).

13 (d-7.1) Beginning July 1, 2004, any fee imposed by the  
14 Board of Trustees of any Metro East Mass Transit District  
15 under subsection (d-6) and all civil penalties that may be  
16 assessed as an incident of the fees shall be collected and  
17 enforced by the State Department of Revenue. Reference to  
18 "taxes" in this Section shall be construed to apply to the  
19 administration, payment, and remittance of all fees under this  
20 Section. For purposes of any fee imposed under subsection  
21 (d-6), 4% of the fee, penalty, and interest received by the  
22 Department in the first 12 months that the fee is collected and  
23 enforced by the Department and 2% of the fee, penalty, and  
24 interest following the first 12 months (except the amount  
25 collected on aviation fuel sold on or after December 1, 2019)  
26 shall be deposited into the Tax Compliance and Administration

1 Fund and shall be used by the Department, subject to  
2 appropriation, to cover the costs of the Department. No  
3 retailers' discount shall apply to any fee imposed under  
4 subsection (d-6).

5 (d-8) No item of titled property shall be subject to both  
6 the higher rate approved by referendum, as authorized under  
7 subsection (d-5), and any fee imposed under subsection (d-6)  
8 or (d-7).

9 (d-9) (Blank).

10 (d-10) (Blank).

11 (e) A certificate of registration issued by the State  
12 Department of Revenue to a retailer under the Retailers'  
13 Occupation Tax Act or under the Service Occupation Tax Act  
14 shall permit the registrant to engage in a business that is  
15 taxed under the tax imposed under paragraphs (b), (c) or (d) of  
16 this Section and no additional registration shall be required  
17 under the tax. A certificate issued under the Use Tax Act or  
18 the Service Use Tax Act shall be applicable with regard to any  
19 tax imposed under paragraph (c) of this Section.

20 (f) (Blank).

21 (g) Any ordinance imposing or discontinuing any tax under  
22 this Section shall be adopted and a certified copy thereof  
23 filed with the Department on or before June 1, whereupon the  
24 Department of Revenue shall proceed to administer and enforce  
25 this Section on behalf of the Metro East Mass Transit District  
26 as of September 1 next following such adoption and filing.

1 Beginning January 1, 1992, an ordinance or resolution imposing  
2 or discontinuing the tax hereunder shall be adopted and a  
3 certified copy thereof filed with the Department on or before  
4 the first day of July, whereupon the Department shall proceed  
5 to administer and enforce this Section as of the first day of  
6 October next following such adoption and filing. Beginning  
7 January 1, 1993, except as provided in subsection (d-5) of  
8 this Section, an ordinance or resolution imposing or  
9 discontinuing the tax hereunder shall be adopted and a  
10 certified copy thereof filed with the Department on or before  
11 the first day of October, whereupon the Department shall  
12 proceed to administer and enforce this Section as of the first  
13 day of January next following such adoption and filing, or,  
14 beginning January 1, 2004, on or before the first day of April,  
15 whereupon the Department shall proceed to administer and  
16 enforce this Section as of the first day of July next following  
17 the adoption and filing.

18 (h) Except as provided in subsection (d-7.1), the State  
19 Department of Revenue shall, upon collecting any taxes as  
20 provided in this Section, pay the taxes over to the State  
21 Treasurer as trustee for the District. The taxes shall be held  
22 in a trust fund outside the State Treasury. If an  
23 airport-related purpose has been certified, taxes and  
24 penalties collected in St. Clair County on aviation fuel sold  
25 on or after December 1, 2019 from the 0.50% of the 0.75% rate  
26 shall be immediately paid over by the Department to the State

1 Treasurer, ex officio, as trustee, for deposit into the Local  
2 Government Aviation Trust Fund. The Department shall only pay  
3 moneys into the Local Government Aviation Trust Fund under  
4 this Act for so long as the revenue use requirements of 49  
5 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
6 District.

7 As soon as possible after the first day of each month,  
8 beginning January 1, 2011, upon certification of the  
9 Department of Revenue, the Comptroller shall order  
10 transferred, and the Treasurer shall transfer, to the STAR  
11 Bonds Revenue Fund the local sales tax increment, as defined  
12 in the Innovation Development and Economy Act, collected under  
13 this Section during the second preceding calendar month for  
14 sales within a STAR bond district. The Department shall make  
15 this certification only if the local mass transit district  
16 imposes a tax on real property as provided in the definition of  
17 "local sales taxes" under the Innovation Development and  
18 Economy Act.

19 After the monthly transfer to the STAR Bonds Revenue Fund,  
20 on or before the 25th day of each calendar month, the State  
21 Department of Revenue shall prepare and certify to the  
22 Comptroller of the State of Illinois the amount to be paid to  
23 the District, which shall be the amount (not including credit  
24 memoranda and not including taxes and penalties collected on  
25 aviation fuel sold on or after December 1, 2019 that are  
26 deposited into the Local Government Aviation Trust Fund)

1 collected under this Section during the second preceding  
2 calendar month by the Department plus an amount the Department  
3 determines is necessary to offset any amounts that were  
4 erroneously paid to a different taxing body, and not including  
5 any amount equal to the amount of refunds made during the  
6 second preceding calendar month by the Department on behalf of  
7 the District, and not including any amount that the Department  
8 determines is necessary to offset any amounts that were  
9 payable to a different taxing body but were erroneously paid  
10 to the District, and less any amounts that are transferred to  
11 the STAR Bonds Revenue Fund, less 1.5% of the remainder, which  
12 the Department shall transfer into the Tax Compliance and  
13 Administration Fund. The Department, at the time of each  
14 monthly disbursement to the District, shall prepare and  
15 certify to the State Comptroller the amount to be transferred  
16 into the Tax Compliance and Administration Fund under this  
17 subsection. Within 10 days after receipt by the Comptroller of  
18 the certification of the amount to be paid to the District and  
19 the Tax Compliance and Administration Fund, the Comptroller  
20 shall cause an order to be drawn for payment for the amount in  
21 accordance with the direction in the certification.

22 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
23 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

24 Section 75-60. The Regional Transportation Authority Act  
25 is amended by changing Section 4.03 as follows:

1 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

2 Sec. 4.03. Taxes.

3 (a) In order to carry out any of the powers or purposes of  
4 the Authority, the Board may by ordinance adopted with the  
5 concurrence of 12 of the then Directors, impose throughout the  
6 metropolitan region any or all of the taxes provided in this  
7 Section. Except as otherwise provided in this Act, taxes  
8 imposed under this Section and civil penalties imposed  
9 incident thereto shall be collected and enforced by the State  
10 Department of Revenue. The Department shall have the power to  
11 administer and enforce the taxes and to determine all rights  
12 for refunds for erroneous payments of the taxes. Nothing in  
13 Public Act 95-708 is intended to invalidate any taxes  
14 currently imposed by the Authority. The increased vote  
15 requirements to impose a tax shall only apply to actions taken  
16 after January 1, 2008 (the effective date of Public Act  
17 95-708).

18 (b) The Board may impose a public transportation tax upon  
19 all persons engaged in the metropolitan region in the business  
20 of selling at retail motor fuel for operation of motor  
21 vehicles upon public highways. The tax shall be at a rate not  
22 to exceed 5% of the gross receipts from the sales of motor fuel  
23 in the course of the business. As used in this Act, the term  
24 "motor fuel" shall have the same meaning as in the Motor Fuel  
25 Tax Law. The Board may provide for details of the tax. The

1 provisions of any tax shall conform, as closely as may be  
2 practicable, to the provisions of the Municipal Retailers  
3 Occupation Tax Act, including without limitation, conformity  
4 to penalties with respect to the tax imposed and as to the  
5 powers of the State Department of Revenue to promulgate and  
6 enforce rules and regulations relating to the administration  
7 and enforcement of the provisions of the tax imposed, except  
8 that reference in the Act to any municipality shall refer to  
9 the Authority and the tax shall be imposed only with regard to  
10 receipts from sales of motor fuel in the metropolitan region,  
11 at rates as limited by this Section.

12 (c) In connection with the tax imposed under paragraph (b)  
13 of this Section, the Board may impose a tax upon the privilege  
14 of using in the metropolitan region motor fuel for the  
15 operation of a motor vehicle upon public highways, the tax to  
16 be at a rate not in excess of the rate of tax imposed under  
17 paragraph (b) of this Section. The Board may provide for  
18 details of the tax.

19 (d) The Board may impose a motor vehicle parking tax upon  
20 the privilege of parking motor vehicles at off-street parking  
21 facilities in the metropolitan region at which a fee is  
22 charged, and may provide for reasonable classifications in and  
23 exemptions to the tax, for administration and enforcement  
24 thereof and for civil penalties and refunds thereunder and may  
25 provide criminal penalties thereunder, the maximum penalties  
26 not to exceed the maximum criminal penalties provided in the



1 Retailers' Occupation Tax Act. The Authority may collect and  
2 enforce the tax itself or by contract with any unit of local  
3 government. The State Department of Revenue shall have no  
4 responsibility for the collection and enforcement unless the  
5 Department agrees with the Authority to undertake the  
6 collection and enforcement. As used in this paragraph, the  
7 term "parking facility" means a parking area or structure  
8 having parking spaces for more than 2 vehicles at which motor  
9 vehicles are permitted to park in return for an hourly, daily,  
10 or other periodic fee, whether publicly or privately owned,  
11 but does not include parking spaces on a public street, the use  
12 of which is regulated by parking meters.

13 (e) The Board may impose a Regional Transportation  
14 Authority Retailers' Occupation Tax upon all persons engaged  
15 in the business of selling tangible personal property at  
16 retail in the metropolitan region. In Cook County, the tax  
17 rate shall be 1.25% of the gross receipts from sales of  
18 tangible personal property taxed at the 1% rate under the  
19 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
20 this amendatory Act of the 102nd General Assembly), and 1% of  
21 the gross receipts from other taxable sales made in the course  
22 of that business. In DuPage, Kane, Lake, McHenry, and Will  
23 counties, the tax rate shall be 0.75% of the gross receipts  
24 from all taxable sales made in the course of that business. The  
25 rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will  
26 counties under this Section on sales of aviation fuel on or

1 after December 1, 2019 shall, however, be 0.25% unless the  
2 Regional Transportation Authority in DuPage, Kane, Lake,  
3 McHenry, and Will counties has an "airport-related purpose"  
4 and the additional 0.50% of the 0.75% tax on aviation fuel is  
5 expended for airport-related purposes. If there is no  
6 airport-related purpose to which aviation fuel tax revenue is  
7 dedicated, then aviation fuel is excluded from the additional  
8 0.50% of the 0.75% tax. The tax imposed under this Section and  
9 all civil penalties that may be assessed as an incident  
10 thereof shall be collected and enforced by the State  
11 Department of Revenue. The Department shall have full power to  
12 administer and enforce this Section; to collect all taxes and  
13 penalties so collected in the manner hereinafter provided; and  
14 to determine all rights to credit memoranda arising on account  
15 of the erroneous payment of tax or penalty hereunder. In the  
16 administration of, and compliance with this Section, the  
17 Department and persons who are subject to this Section shall  
18 have the same rights, remedies, privileges, immunities,  
19 powers, and duties, and be subject to the same conditions,  
20 restrictions, limitations, penalties, exclusions, exemptions,  
21 and definitions of terms, and employ the same modes of  
22 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
23 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
24 therein other than the State rate of tax), 2c, 3 (except as to  
25 the disposition of taxes and penalties collected, and except  
26 that the retailer's discount is not allowed for taxes paid on

1 aviation fuel that are subject to the revenue use requirements  
2 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
3 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
4 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and  
5 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
6 as if those provisions were set forth herein.

7 The Board and DuPage, Kane, Lake, McHenry, and Will  
8 counties must comply with the certification requirements for  
9 airport-related purposes under Section 2-22 of the Retailers'  
10 Occupation Tax Act. For purposes of this Section,  
11 "airport-related purposes" has the meaning ascribed in Section  
12 6z-20.2 of the State Finance Act. This exclusion for aviation  
13 fuel only applies for so long as the revenue use requirements  
14 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
15 Authority.

16 Persons subject to any tax imposed under the authority  
17 granted in this Section may reimburse themselves for their  
18 seller's tax liability hereunder by separately stating the tax  
19 as an additional charge, which charge may be stated in  
20 combination in a single amount with State taxes that sellers  
21 are required to collect under the Use Tax Act, under any  
22 bracket schedules the Department may prescribe.

23 Whenever the Department determines that a refund should be  
24 made under this Section to a claimant instead of issuing a  
25 credit memorandum, the Department shall notify the State  
26 Comptroller, who shall cause the warrant to be drawn for the

1 amount specified, and to the person named, in the notification  
2 from the Department. The refund shall be paid by the State  
3 Treasurer out of the Regional Transportation Authority tax  
4 fund established under paragraph (n) of this Section or the  
5 Local Government Aviation Trust Fund, as appropriate.

6 If a tax is imposed under this subsection (e), a tax shall  
7 also be imposed under subsections (f) and (g) of this Section.

8 For the purpose of determining whether a tax authorized  
9 under this Section is applicable, a retail sale by a producer  
10 of coal or other mineral mined in Illinois, is a sale at retail  
11 at the place where the coal or other mineral mined in Illinois  
12 is extracted from the earth. This paragraph does not apply to  
13 coal or other mineral when it is delivered or shipped by the  
14 seller to the purchaser at a point outside Illinois so that the  
15 sale is exempt under the Federal Constitution as a sale in  
16 interstate or foreign commerce.

17 No tax shall be imposed or collected under this subsection  
18 on the sale of a motor vehicle in this State to a resident of  
19 another state if that motor vehicle will not be titled in this  
20 State.

21 Nothing in this Section shall be construed to authorize  
22 the Regional Transportation Authority to impose a tax upon the  
23 privilege of engaging in any business that under the  
24 Constitution of the United States may not be made the subject  
25 of taxation by this State.

26 (f) If a tax has been imposed under paragraph (e), a

1 Regional Transportation Authority Service Occupation Tax shall  
2 also be imposed upon all persons engaged, in the metropolitan  
3 region in the business of making sales of service, who as an  
4 incident to making the sales of service, transfer tangible  
5 personal property within the metropolitan region, either in  
6 the form of tangible personal property or in the form of real  
7 estate as an incident to a sale of service. In Cook County, the  
8 tax rate shall be: (1) 1.25% of the serviceman's cost price of  
9 food prepared for immediate consumption and transferred  
10 incident to a sale of service subject to the service  
11 occupation tax by an entity licensed under the Hospital  
12 Licensing Act, the Nursing Home Care Act, the Specialized  
13 Mental Health Rehabilitation Act of 2013, the ID/DD Community  
14 Care Act, or the MC/DD Act that is located in the metropolitan  
15 region; (2) 1.25% of the selling price of tangible personal  
16 property taxed at the 1% rate under the Service Occupation Tax  
17 Act (or at the 0% rate imposed under this amendatory Act of the  
18 102nd General Assembly); and (3) 1% of the selling price from  
19 other taxable sales of tangible personal property transferred.  
20 In DuPage, Kane, Lake, McHenry, and Will counties, the rate  
21 shall be 0.75% of the selling price of all tangible personal  
22 property transferred. The rate of tax imposed in DuPage, Kane,  
23 Lake, McHenry, and Will counties under this Section on sales  
24 of aviation fuel on or after December 1, 2019 shall, however,  
25 be 0.25% unless the Regional Transportation Authority in  
26 DuPage, Kane, Lake, McHenry, and Will counties has an

1 "airport-related purpose" and the additional 0.50% of the  
2 0.75% tax on aviation fuel is expended for airport-related  
3 purposes. If there is no airport-related purpose to which  
4 aviation fuel tax revenue is dedicated, then aviation fuel is  
5 excluded from the additional 0.5% of the 0.75% tax.

6 The Board and DuPage, Kane, Lake, McHenry, and Will  
7 counties must comply with the certification requirements for  
8 airport-related purposes under Section 2-22 of the Retailers'  
9 Occupation Tax Act. For purposes of this Section,  
10 "airport-related purposes" has the meaning ascribed in Section  
11 6z-20.2 of the State Finance Act. This exclusion for aviation  
12 fuel only applies for so long as the revenue use requirements  
13 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
14 Authority.

15 The tax imposed under this paragraph and all civil  
16 penalties that may be assessed as an incident thereof shall be  
17 collected and enforced by the State Department of Revenue. The  
18 Department shall have full power to administer and enforce  
19 this paragraph; to collect all taxes and penalties due  
20 hereunder; to dispose of taxes and penalties collected in the  
21 manner hereinafter provided; and to determine all rights to  
22 credit memoranda arising on account of the erroneous payment  
23 of tax or penalty hereunder. In the administration of and  
24 compliance with this paragraph, the Department and persons who  
25 are subject to this paragraph shall have the same rights,  
26 remedies, privileges, immunities, powers, and duties, and be

1 subject to the same conditions, restrictions, limitations,  
2 penalties, exclusions, exemptions, and definitions of terms,  
3 and employ the same modes of procedure, as are prescribed in  
4 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
5 provisions therein other than the State rate of tax), 4  
6 (except that the reference to the State shall be to the  
7 Authority), 5, 7, 8 (except that the jurisdiction to which the  
8 tax shall be a debt to the extent indicated in that Section 8  
9 shall be the Authority), 9 (except as to the disposition of  
10 taxes and penalties collected, and except that the returned  
11 merchandise credit for this tax may not be taken against any  
12 State tax, and except that the retailer's discount is not  
13 allowed for taxes paid on aviation fuel that are subject to the  
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
15 47133), 10, 11, 12 (except the reference therein to Section 2b  
16 of the Retailers' Occupation Tax Act), 13 (except that any  
17 reference to the State shall mean the Authority), the first  
18 paragraph of Section 15, 16, 17, 18, 19, and 20 of the Service  
19 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
20 Interest Act, as fully as if those provisions were set forth  
21 herein.

22 Persons subject to any tax imposed under the authority  
23 granted in this paragraph may reimburse themselves for their  
24 serviceman's tax liability hereunder by separately stating the  
25 tax as an additional charge, that charge may be stated in  
26 combination in a single amount with State tax that servicemen

1 are authorized to collect under the Service Use Tax Act, under  
2 any bracket schedules the Department may prescribe.

3 Whenever the Department determines that a refund should be  
4 made under this paragraph to a claimant instead of issuing a  
5 credit memorandum, the Department shall notify the State  
6 Comptroller, who shall cause the warrant to be drawn for the  
7 amount specified, and to the person named in the notification  
8 from the Department. The refund shall be paid by the State  
9 Treasurer out of the Regional Transportation Authority tax  
10 fund established under paragraph (n) of this Section or the  
11 Local Government Aviation Trust Fund, as appropriate.

12 Nothing in this paragraph shall be construed to authorize  
13 the Authority to impose a tax upon the privilege of engaging in  
14 any business that under the Constitution of the United States  
15 may not be made the subject of taxation by the State.

16 (g) If a tax has been imposed under paragraph (e), a tax  
17 shall also be imposed upon the privilege of using in the  
18 metropolitan region, any item of tangible personal property  
19 that is purchased outside the metropolitan region at retail  
20 from a retailer, and that is titled or registered with an  
21 agency of this State's government. In Cook County, the tax  
22 rate shall be 1% of the selling price of the tangible personal  
23 property, as "selling price" is defined in the Use Tax Act. In  
24 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate  
25 shall be 0.75% of the selling price of the tangible personal  
26 property, as "selling price" is defined in the Use Tax Act. The



1 tax shall be collected from persons whose Illinois address for  
2 titling or registration purposes is given as being in the  
3 metropolitan region. The tax shall be collected by the  
4 Department of Revenue for the Regional Transportation  
5 Authority. The tax must be paid to the State, or an exemption  
6 determination must be obtained from the Department of Revenue,  
7 before the title or certificate of registration for the  
8 property may be issued. The tax or proof of exemption may be  
9 transmitted to the Department by way of the State agency with  
10 which, or the State officer with whom, the tangible personal  
11 property must be titled or registered if the Department and  
12 the State agency or State officer determine that this  
13 procedure will expedite the processing of applications for  
14 title or registration.

15 The Department shall have full power to administer and  
16 enforce this paragraph; to collect all taxes, penalties, and  
17 interest due hereunder; to dispose of taxes, penalties, and  
18 interest collected in the manner hereinafter provided; and to  
19 determine all rights to credit memoranda or refunds arising on  
20 account of the erroneous payment of tax, penalty, or interest  
21 hereunder. In the administration of and compliance with this  
22 paragraph, the Department and persons who are subject to this  
23 paragraph shall have the same rights, remedies, privileges,  
24 immunities, powers, and duties, and be subject to the same  
25 conditions, restrictions, limitations, penalties, exclusions,  
26 exemptions, and definitions of terms and employ the same modes

1 of procedure, as are prescribed in Sections 2 (except the  
2 definition of "retailer maintaining a place of business in  
3 this State"), 3 through 3-80 (except provisions pertaining to  
4 the State rate of tax, and except provisions concerning  
5 collection or refunding of the tax by retailers), 4, 11, 12,  
6 12a, 14, 15, 19 (except the portions pertaining to claims by  
7 retailers and except the last paragraph concerning refunds),  
8 20, 21, and 22 of the Use Tax Act, and are not inconsistent  
9 with this paragraph, as fully as if those provisions were set  
10 forth herein.

11 Whenever the Department determines that a refund should be  
12 made under this paragraph to a claimant instead of issuing a  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the order to be drawn for the  
15 amount specified, and to the person named in the notification  
16 from the Department. The refund shall be paid by the State  
17 Treasurer out of the Regional Transportation Authority tax  
18 fund established under paragraph (n) of this Section.

19 (g-5) If, on January 1, 2025, a unit of local government  
20 has in effect a tax under subsections (e), (f), and (g), or if,  
21 after January 1, 2025, a unit of local government imposes a tax  
22 under subsections (e), (f), and (g), then that tax applies to  
23 leases of tangible personal property in effect, entered into,  
24 or renewed on or after that date in the same manner as the tax  
25 under this Section and in accordance with the changes made by  
26 this amendatory Act of the 103rd General Assembly.

1           (h) The Authority may impose a replacement vehicle tax of  
2           \$50 on any passenger car as defined in Section 1-157 of the  
3           Illinois Vehicle Code purchased within the metropolitan region  
4           by or on behalf of an insurance company to replace a passenger  
5           car of an insured person in settlement of a total loss claim.  
6           The tax imposed may not become effective before the first day  
7           of the month following the passage of the ordinance imposing  
8           the tax and receipt of a certified copy of the ordinance by the  
9           Department of Revenue. The Department of Revenue shall collect  
10          the tax for the Authority in accordance with Sections 3-2002  
11          and 3-2003 of the Illinois Vehicle Code.

12          The Department shall immediately pay over to the State  
13          Treasurer, ex officio, as trustee, all taxes collected  
14          hereunder.

15          As soon as possible after the first day of each month,  
16          beginning January 1, 2011, upon certification of the  
17          Department of Revenue, the Comptroller shall order  
18          transferred, and the Treasurer shall transfer, to the STAR  
19          Bonds Revenue Fund the local sales tax increment, as defined  
20          in the Innovation Development and Economy Act, collected under  
21          this Section during the second preceding calendar month for  
22          sales within a STAR bond district.

23          After the monthly transfer to the STAR Bonds Revenue Fund,  
24          on or before the 25th day of each calendar month, the  
25          Department shall prepare and certify to the Comptroller the  
26          disbursement of stated sums of money to the Authority. The

1 amount to be paid to the Authority shall be the amount  
2 collected hereunder during the second preceding calendar month  
3 by the Department, less any amount determined by the  
4 Department to be necessary for the payment of refunds, and  
5 less any amounts that are transferred to the STAR Bonds  
6 Revenue Fund. Within 10 days after receipt by the Comptroller  
7 of the disbursement certification to the Authority provided  
8 for in this Section to be given to the Comptroller by the  
9 Department, the Comptroller shall cause the orders to be drawn  
10 for that amount in accordance with the directions contained in  
11 the certification.

12 (i) The Board may not impose any other taxes except as it  
13 may from time to time be authorized by law to impose.

14 (j) A certificate of registration issued by the State  
15 Department of Revenue to a retailer under the Retailers'  
16 Occupation Tax Act or under the Service Occupation Tax Act  
17 shall permit the registrant to engage in a business that is  
18 taxed under the tax imposed under paragraphs (b), (e), (f) or  
19 (g) of this Section and no additional registration shall be  
20 required under the tax. A certificate issued under the Use Tax  
21 Act or the Service Use Tax Act shall be applicable with regard  
22 to any tax imposed under paragraph (c) of this Section.

23 (k) The provisions of any tax imposed under paragraph (c)  
24 of this Section shall conform as closely as may be practicable  
25 to the provisions of the Use Tax Act, including without  
26 limitation conformity as to penalties with respect to the tax

1 imposed and as to the powers of the State Department of Revenue  
2 to promulgate and enforce rules and regulations relating to  
3 the administration and enforcement of the provisions of the  
4 tax imposed. The taxes shall be imposed only on use within the  
5 metropolitan region and at rates as provided in the paragraph.

6 (l) The Board in imposing any tax as provided in  
7 paragraphs (b) and (c) of this Section, shall, after seeking  
8 the advice of the State Department of Revenue, provide means  
9 for retailers, users or purchasers of motor fuel for purposes  
10 other than those with regard to which the taxes may be imposed  
11 as provided in those paragraphs to receive refunds of taxes  
12 improperly paid, which provisions may be at variance with the  
13 refund provisions as applicable under the Municipal Retailers  
14 Occupation Tax Act. The State Department of Revenue may  
15 provide for certificates of registration for users or  
16 purchasers of motor fuel for purposes other than those with  
17 regard to which taxes may be imposed as provided in paragraphs  
18 (b) and (c) of this Section to facilitate the reporting and  
19 nontaxability of the exempt sales or uses.

20 (m) Any ordinance imposing or discontinuing any tax under  
21 this Section shall be adopted and a certified copy thereof  
22 filed with the Department on or before June 1, whereupon the  
23 Department of Revenue shall proceed to administer and enforce  
24 this Section on behalf of the Regional Transportation  
25 Authority as of September 1 next following such adoption and  
26 filing. Beginning January 1, 1992, an ordinance or resolution

1 imposing or discontinuing the tax hereunder shall be adopted  
2 and a certified copy thereof filed with the Department on or  
3 before the first day of July, whereupon the Department shall  
4 proceed to administer and enforce this Section as of the first  
5 day of October next following such adoption and filing.  
6 Beginning January 1, 1993, an ordinance or resolution  
7 imposing, increasing, decreasing, or discontinuing the tax  
8 hereunder shall be adopted and a certified copy thereof filed  
9 with the Department, whereupon the Department shall proceed to  
10 administer and enforce this Section as of the first day of the  
11 first month to occur not less than 60 days following such  
12 adoption and filing. Any ordinance or resolution of the  
13 Authority imposing a tax under this Section and in effect on  
14 August 1, 2007 shall remain in full force and effect and shall  
15 be administered by the Department of Revenue under the terms  
16 and conditions and rates of tax established by such ordinance  
17 or resolution until the Department begins administering and  
18 enforcing an increased tax under this Section as authorized by  
19 Public Act 95-708. The tax rates authorized by Public Act  
20 95-708 are effective only if imposed by ordinance of the  
21 Authority.

22 (n) Except as otherwise provided in this subsection (n),  
23 the State Department of Revenue shall, upon collecting any  
24 taxes as provided in this Section, pay the taxes over to the  
25 State Treasurer as trustee for the Authority. The taxes shall  
26 be held in a trust fund outside the State Treasury. If an

1 airport-related purpose has been certified, taxes and  
2 penalties collected in DuPage, Kane, Lake, McHenry and Will  
3 counties on aviation fuel sold on or after December 1, 2019  
4 from the 0.50% of the 0.75% rate shall be immediately paid over  
5 by the Department to the State Treasurer, ex officio, as  
6 trustee, for deposit into the Local Government Aviation Trust  
7 Fund. The Department shall only pay moneys into the Local  
8 Government Aviation Trust Fund under this Act for so long as  
9 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
10 U.S.C. 47133 are binding on the Authority. On or before the  
11 25th day of each calendar month, the State Department of  
12 Revenue shall prepare and certify to the Comptroller of the  
13 State of Illinois and to the Authority (i) the amount of taxes  
14 collected in each county other than Cook County in the  
15 metropolitan region, (not including, if an airport-related  
16 purpose has been certified, the taxes and penalties collected  
17 from the 0.50% of the 0.75% rate on aviation fuel sold on or  
18 after December 1, 2019 that are deposited into the Local  
19 Government Aviation Trust Fund) (ii) the amount of taxes  
20 collected within the City of Chicago, and (iii) the amount  
21 collected in that portion of Cook County outside of Chicago,  
22 each amount less the amount necessary for the payment of  
23 refunds to taxpayers located in those areas described in items  
24 (i), (ii), and (iii), and less 1.5% of the remainder, which  
25 shall be transferred from the trust fund into the Tax  
26 Compliance and Administration Fund. The Department, at the

1 time of each monthly disbursement to the Authority, shall  
2 prepare and certify to the State Comptroller the amount to be  
3 transferred into the Tax Compliance and Administration Fund  
4 under this subsection. Within 10 days after receipt by the  
5 Comptroller of the certification of the amounts, the  
6 Comptroller shall cause an order to be drawn for the transfer  
7 of the amount certified into the Tax Compliance and  
8 Administration Fund and the payment of two-thirds of the  
9 amounts certified in item (i) of this subsection to the  
10 Authority and one-third of the amounts certified in item (i)  
11 of this subsection to the respective counties other than Cook  
12 County and the amount certified in items (ii) and (iii) of this  
13 subsection to the Authority.

14 In addition to the disbursement required by the preceding  
15 paragraph, an allocation shall be made in July 1991 and each  
16 year thereafter to the Regional Transportation Authority. The  
17 allocation shall be made in an amount equal to the average  
18 monthly distribution during the preceding calendar year  
19 (excluding the 2 months of lowest receipts) and the allocation  
20 shall include the amount of average monthly distribution from  
21 the Regional Transportation Authority Occupation and Use Tax  
22 Replacement Fund. The distribution made in July 1992 and each  
23 year thereafter under this paragraph and the preceding  
24 paragraph shall be reduced by the amount allocated and  
25 disbursed under this paragraph in the preceding calendar year.  
26 The Department of Revenue shall prepare and certify to the



1 Comptroller for disbursement the allocations made in  
2 accordance with this paragraph.

3 (o) Failure to adopt a budget ordinance or otherwise to  
4 comply with Section 4.01 of this Act or to adopt a Five-year  
5 Capital Program or otherwise to comply with paragraph (b) of  
6 Section 2.01 of this Act shall not affect the validity of any  
7 tax imposed by the Authority otherwise in conformity with law.

8 (p) At no time shall a public transportation tax or motor  
9 vehicle parking tax authorized under paragraphs (b), (c), and  
10 (d) of this Section be in effect at the same time as any  
11 retailers' occupation, use or service occupation tax  
12 authorized under paragraphs (e), (f), and (g) of this Section  
13 is in effect.

14 Any taxes imposed under the authority provided in  
15 paragraphs (b), (c), and (d) shall remain in effect only until  
16 the time as any tax authorized by paragraph (e), (f), or (g) of  
17 this Section are imposed and becomes effective. Once any tax  
18 authorized by paragraph (e), (f), or (g) is imposed the Board  
19 may not reimpose taxes as authorized in paragraphs (b), (c),  
20 and (d) of the Section unless any tax authorized by paragraph  
21 (e), (f), or (g) of this Section becomes ineffective by means  
22 other than an ordinance of the Board.

23 (q) Any existing rights, remedies and obligations  
24 (including enforcement by the Regional Transportation  
25 Authority) arising under any tax imposed under paragraph (b),  
26 (c), or (d) of this Section shall not be affected by the

1 imposition of a tax under paragraph (e), (f), or (g) of this  
2 Section.

3 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
4 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

5 ARTICLE 80.

6 Section 80-5. The Cigarette Tax Act is amended by changing  
7 Sections 4b, 9, 9e, and 9f as follows:

8 (35 ILCS 130/4b) (from Ch. 120, par. 453.4b)

9 Sec. 4b. (a) The Department may, in its discretion, upon  
10 application, issue permits authorizing the payment of the tax  
11 herein imposed by out-of-State cigarette manufacturers who are  
12 not required to be licensed as distributors of cigarettes in  
13 this State, but who elect to qualify under this Act as  
14 distributors of cigarettes in this State, and who, to the  
15 satisfaction of the Department, furnish adequate security to  
16 insure payment of the tax, provided that any such permit shall  
17 extend only to cigarettes which such permittee manufacturer  
18 places in original packages that are contained inside a sealed  
19 transparent wrapper. Such permits shall be issued without  
20 charge in such form as the Department may prescribe and shall  
21 not be transferable or assignable.

22 The following are ineligible to receive a distributor's  
23 permit under this subsection:

1           (1) a person who is not of good character and  
2           reputation in the community in which he resides; the  
3           Department may consider past conviction of a felony but  
4           the conviction shall not operate as an absolute bar to  
5           receiving a permit;

6           (2) a person who has been convicted of a felony under  
7           any Federal or State law, if the Department, after  
8           investigation and a hearing and consideration of  
9           mitigating factors and evidence of rehabilitation  
10          contained in the applicant's record, including those in  
11          Section 4i of this Act, determines that such person has  
12          not been sufficiently rehabilitated to warrant the public  
13          trust and the conviction will impair the ability of the  
14          person to engage in the position for which a permit is  
15          sought;

16          (3) a corporation, if any officer, manager or director  
17          thereof, or any stockholder or stockholders owning in the  
18          aggregate more than 5% of the stock of such corporation,  
19          would not be eligible to receive a permit under this Act  
20          for any reason.

21          With respect to cigarettes which come within the scope of  
22          such a permit and which any such permittee delivers or causes  
23          to be delivered in Illinois to licensed distributors, such  
24          permittee shall remit the tax imposed by this Act at the times  
25          provided for in Section 3 of this Act. Each such remittance  
26          shall be accompanied by a return filed with the Department on a

1 form to be prescribed and furnished by the Department and  
2 shall disclose such information as the Department may lawfully  
3 require. Information that the Department may lawfully require  
4 includes information related to the uniform regulation and  
5 taxation of cigarettes. The Department may promulgate rules to  
6 require that the permittee's return be accompanied by  
7 appropriate computer-generated magnetic media supporting  
8 schedule data in the format prescribed by the Department,  
9 unless, as provided by rule, the Department grants an  
10 exception upon petition of the permittee. Each such return  
11 shall be accompanied by a copy of each invoice rendered by the  
12 permittee to any licensed distributor to whom the permittee  
13 delivered cigarettes of the type covered by the permit (or  
14 caused cigarettes of the type covered by the permit to be  
15 delivered) in Illinois during the period covered by such  
16 return.

17 Such permit may be suspended, canceled or revoked when, at  
18 any time, the Department considers that the security given is  
19 inadequate, or that such tax can more effectively be collected  
20 from distributors located in this State, or whenever the  
21 permittee violates any provision of this Act or any lawful  
22 rule or regulation issued by the Department pursuant to this  
23 Act or is determined to be ineligible for a distributor's  
24 permit under this Act as provided in this Section, whenever  
25 the permittee shall notify the Department in writing of his  
26 desire to have the permit canceled. The Department shall have

1 the power, in its discretion, to issue a new permit after such  
2 suspension, cancellation or revocation, except when the person  
3 who would receive the permit is ineligible to receive a  
4 distributor's permit under this Act.

5 All permits issued by the Department under this Act shall  
6 be valid for not to exceed one year after issuance unless  
7 sooner revoked, canceled or suspended as in this Act provided.

8 (b) Out-of-state cigarette manufacturers who are not  
9 required to be licensed as distributors of cigarettes in this  
10 State and who do not elect to obtain approval under subsection  
11 4b(a) to pay the tax imposed by this Act, but who elect to  
12 qualify under this Act as distributors of cigarettes in this  
13 State for purposes of shipping and delivering unstamped  
14 original packages of cigarettes into this State to licensed  
15 distributors, shall obtain a permit from the Department. These  
16 permits shall be issued without charge in such form as the  
17 Department may prescribe and shall not be transferable or  
18 assignable.

19 The following are ineligible to receive a distributor's  
20 permit under this subsection:

21 (1) a person who is not of good character and  
22 reputation in the community in which he or she resides;  
23 the Department may consider past conviction of a felony  
24 but the conviction shall not operate as an absolute bar to  
25 receiving a permit;

26 (2) a person who has been convicted of a felony under

1 any federal or State law, if the Department, after  
2 investigation and a hearing and consideration of  
3 mitigating factors and evidence of rehabilitation  
4 contained in the applicant's record, including those set  
5 forth in Section 4i of this Act, determines that the  
6 person has not been sufficiently rehabilitated to warrant  
7 the public trust and the conviction will impair the  
8 ability of the person to engage in the position for which a  
9 permit is sought; and

10 (3) a corporation, if any officer, manager, or  
11 director thereof, or any stockholder or stockholders  
12 owning in the aggregate more than 5% of the stock of the  
13 corporation, would not be eligible to receive a permit  
14 under this Act for any reason.

15 With respect to original packages of cigarettes that such  
16 permittee delivers or causes to be delivered in Illinois and  
17 distributes to the public for promotional purposes without  
18 consideration, the permittee shall pay the tax imposed by this  
19 Act by remitting the amount thereof to the Department by the  
20 5th day of each month covering cigarettes shipped or otherwise  
21 delivered in Illinois for those purposes during the preceding  
22 calendar month. The permittee, before delivering those  
23 cigarettes or causing those cigarettes to be delivered in this  
24 State, shall evidence his or her obligation to remit the taxes  
25 due with respect to those cigarettes by imprinting language to  
26 be prescribed by the Department on each original package of

1 cigarettes, in such place thereon and in such manner also to be  
2 prescribed by the Department. The imprinted language shall  
3 acknowledge the permittee's payment of or liability for the  
4 tax imposed by this Act with respect to the distribution of  
5 those cigarettes.

6 With respect to cigarettes that the permittee delivers or  
7 causes to be delivered in Illinois to Illinois licensed  
8 distributors or distributed to the public for promotional  
9 purposes, the permittee shall, by the 5th day of each month,  
10 file with the Department, a report covering cigarettes shipped  
11 or otherwise delivered in Illinois to licensed distributors or  
12 distributed to the public for promotional purposes during the  
13 preceding calendar month on a form to be prescribed and  
14 furnished by the Department and shall disclose such other  
15 information as the Department may lawfully require.  
16 Information that the Department may lawfully require includes  
17 information related to the uniform regulation and taxation of  
18 cigarettes. The Department may promulgate rules to require  
19 that the permittee's report be accompanied by appropriate  
20 computer-generated magnetic media supporting schedule data in  
21 the format prescribed by the Department, unless, as provided  
22 by rule, the Department grants an exception upon petition of  
23 the permittee. Each such report shall be accompanied by a copy  
24 of each invoice rendered by the permittee to any purchaser to  
25 whom the permittee delivered cigarettes of the type covered by  
26 the permit (or caused cigarettes of the type covered by the

1 permit to be delivered) in Illinois during the period covered  
2 by such report.

3 Such permit may be suspended, canceled, or revoked  
4 whenever the permittee violates any provision of this Act or  
5 any lawful rule or regulation issued by the Department  
6 pursuant to this Act, is determined to be ineligible for a  
7 distributor's permit under this Act as provided in this  
8 Section, or notifies the Department in writing of his or her  
9 desire to have the permit canceled. The Department shall have  
10 the power, in its discretion, to issue a new permit after such  
11 suspension, cancellation, or revocation, except when the  
12 person who would receive the permit is ineligible to receive a  
13 distributor's permit under this Act.

14 All permits issued by the Department under this Act shall  
15 be valid for a period not to exceed one year after issuance  
16 unless sooner revoked, canceled, or suspended as provided in  
17 this Act.

18 (Source: P.A. 100-286, eff. 1-1-18.)

19 (35 ILCS 130/9) (from Ch. 120, par. 453.9)

20 Sec. 9. Returns; remittance. Every distributor who is  
21 required to procure a license under this Act, but who is not a  
22 manufacturer of cigarettes in original packages which are  
23 contained in a sealed transparent wrapper, shall, on or before  
24 the 15th day of each calendar month, file a return with the  
25 Department, showing the quantity of cigarettes manufactured



1 during the preceding calendar month, the quantity of  
2 cigarettes brought into this State or caused to be brought  
3 into this State from outside this State during the preceding  
4 calendar month without authorized evidence on the original  
5 packages of such cigarettes underneath the sealed transparent  
6 wrapper thereof that the tax liability imposed by this Act has  
7 been assumed by the out-of-State seller of such cigarettes,  
8 the quantity of cigarettes purchased tax-paid during the  
9 preceding calendar month either within or outside this State,  
10 the quantity of cigarettes sold by manufacturer  
11 representatives on behalf of the distributor, the quantity of  
12 cigarettes sold to manufacturer representatives, and the  
13 quantity of cigarettes sold or otherwise disposed of during  
14 the preceding calendar month. Such return shall be filed upon  
15 forms furnished and prescribed by the Department and shall  
16 contain such other information as the Department may  
17 reasonably require. Information that the Department may  
18 reasonably require includes information related to the uniform  
19 regulation and taxation of cigarettes. The Department may  
20 promulgate rules to require that the distributor's return be  
21 accompanied by appropriate computer-generated magnetic media  
22 supporting schedule data in the format required by the  
23 Department, unless, as provided by rule, the Department grants  
24 an exception upon petition of a distributor.

25 Illinois manufacturers of cigarettes in original packages  
26 which are contained inside a sealed transparent wrapper shall

1 file a return by the 5th day of each month covering the  
2 preceding calendar month. Each such return shall be  
3 accompanied by the appropriate remittance for tax as provided  
4 in Section 3 of this Act. Each such return shall show the  
5 quantity of such cigarettes manufactured during the period  
6 covered by the return, the quantity of cigarettes sold or  
7 otherwise disposed of during the period covered by the return  
8 and such other information as the Department may lawfully  
9 require. Information that the Department may lawfully require  
10 includes information related to the uniform regulation and  
11 taxation of cigarettes. Such returns shall be filed on forms  
12 prescribed and furnished by the Department. Each such return  
13 shall be accompanied by a copy of each invoice rendered by such  
14 manufacturer to any purchaser to whom such manufacturer  
15 delivered cigarettes (or caused cigarettes to be delivered)  
16 during the period covered by the return. The Department may  
17 promulgate rules to require that the manufacturer's return be  
18 accompanied by appropriate computer-generated magnetic media  
19 supporting schedule data in the format required by the  
20 Department, unless, as provided by rule, the Department grants  
21 an exception upon petition of a manufacturer.

22 (Source: P.A. 97-587, eff. 8-26-11.)

23 (35 ILCS 130/9e)

24 Sec. 9e. Secondary distributors; reports. Every secondary  
25 distributor who is required to procure a license under this

1 Act shall, on or before the 15th day of each calendar month,  
2 file a report with the Department, showing the quantity of  
3 cigarettes purchased during the preceding calendar month  
4 either within or outside this State, and the quantity of  
5 cigarettes sold to retailers or otherwise disposed of during  
6 the preceding calendar month. Such reports shall be filed  
7 electronically in such form prescribed by the Department and  
8 shall contain such other information as the Department may  
9 reasonably require. Information that the Department may  
10 reasonably require includes information related to the uniform  
11 regulation and taxation of cigarettes. The secondary  
12 distributor's report shall be accompanied by appropriate  
13 computer generated magnetic media supporting schedule data in  
14 the format required by the Department, unless, as provided by  
15 rule, the Department grants an exception upon petition of a  
16 secondary distributor.

17 A certification by the Director of the Department that a  
18 report has not been filed, or that information has not been  
19 supplied pursuant to the provisions of this Act, shall be  
20 prima facie evidence thereof.

21 (Source: P.A. 96-1027, eff. 7-12-10.)

22 (35 ILCS 130/9f)

23 Sec. 9f. Manufacturer representatives; reports. Every  
24 manufacturer with authority to maintain manufacturer  
25 representatives as defined by Section 4f of this Act shall, on

1 or before the 15th day of each calendar month, file a report  
2 with the Department, showing the quantity of cigarettes  
3 purchased from licensed distributors during the preceding  
4 calendar month, either within or outside this State, and the  
5 quantity of cigarettes sold to retailers or otherwise disposed  
6 of during the preceding calendar month. Such reports shall be  
7 filed in the form prescribed by the Department and shall  
8 contain such other information as the Department may  
9 reasonably require. Information that the Department may  
10 reasonably require includes information related to the uniform  
11 regulation and taxation of cigarettes. The report shall be  
12 filed electronically and be accompanied by appropriate  
13 computer generated magnetic media supporting schedule data in  
14 the format required by the Department, unless, as provided by  
15 rule, the Department grants an exception upon petition of a  
16 manufacturer with authority to maintain manufacturer  
17 representatives in this State.

18 A certification by the Director of the Department that a  
19 report has not been filed, or that information has not been  
20 supplied pursuant to the provisions of this Act, shall be  
21 prima facie evidence thereof.

22 (Source: P.A. 97-587, eff. 8-26-11.)

23 Section 80-10. The Cigarette Use Tax Act is amended by  
24 changing Sections 11 and 11a as follows:

1 (35 ILCS 135/11) (from Ch. 120, par. 453.41)

2 Sec. 11. Return by distributor or manufacturer. Every  
3 distributor, who is required or authorized to collect tax  
4 under this Act, but who is not a manufacturer of cigarettes in  
5 original packages which are contained in a sealed transparent  
6 wrapper, shall, on or before the 15th day of each calendar  
7 month, file a return with the Department, showing such  
8 information as the Department may reasonably require.  
9 Information that the Department may reasonably require  
10 includes information related to the uniform regulation and  
11 taxation of cigarettes. The Department may promulgate rules to  
12 require that the distributor's return be accompanied by  
13 appropriate computer-generated magnetic media supporting  
14 schedule data in the format required by the Department,  
15 unless, as provided by rule, the Department grants an  
16 exception upon petition of a distributor.

17 Illinois manufacturers of cigarettes in original packages  
18 which are contained inside a sealed transparent wrapper shall  
19 file a return by the 5th day of each month covering the  
20 preceding calendar month. Each such return shall be  
21 accompanied by the appropriate remittance for tax as provided  
22 in Section 3 of this Act. Each such return shall disclose such  
23 information as the Department may lawfully require.  
24 Information that the Department may lawfully require includes  
25 information related to the uniform regulation and taxation of  
26 cigarettes. Each such return shall be accompanied by a copy of

1 each invoice rendered by such manufacturer to any purchaser to  
2 whom such manufacturer delivered cigarettes (or caused  
3 cigarettes to be delivered) during the period covered by the  
4 return. The Department may promulgate rules to require that  
5 the manufacturer's return be accompanied by appropriate  
6 computer-generated magnetic media supporting schedule data in  
7 the format required by the Department, unless, as provided by  
8 rule, the Department grants an exception upon petition of a  
9 manufacturer.

10 No distributor shall be required to return information to  
11 the extent to which the reporting of such information would be  
12 a duplication of such distributor's reporting of information  
13 in any return which he is required to file with the Department  
14 under the Cigarette Tax Act. Returns shall be filed on forms  
15 prescribed by the Department.

16 (Source: P.A. 92-322, eff. 1-1-02.)

17 (35 ILCS 135/11a)

18 Sec. 11a. Secondary distributors; reports. Every secondary  
19 distributor who is required to procure, or is authorized to  
20 procure, a license under this Act shall, on or before the 15th  
21 day of each calendar month, file a report with the Department,  
22 showing the quantity of cigarettes purchased during the  
23 preceding calendar month either within or outside this State,  
24 and the quantity of cigarettes sold to Illinois retailers or  
25 otherwise disposed of during the preceding calendar month.

1 Such reports shall be filed electronically in such form  
2 prescribed by the Department and shall contain such other  
3 information as the Department may reasonably require.  
4 Information that the Department may reasonably require  
5 includes information related to the uniform regulation and  
6 taxation of cigarettes. The secondary distributor's report  
7 shall be accompanied by appropriate computer generated  
8 magnetic media supporting schedule data in the format required  
9 by the Department, unless, as provided by rule, the Department  
10 grants an exception upon petition of a secondary distributor.

11 A certification by the Director of the Department that a  
12 report has not been filed, or that information has not been  
13 supplied pursuant to the provisions of this Act, shall be  
14 prima facie evidence thereof.

15 (Source: P.A. 96-1027, eff. 7-12-10.)

16 Section 80-15. The Tobacco Products Tax Act of 1995 is  
17 amended by changing Section 10-30 as follows:

18 (35 ILCS 143/10-30)

19 Sec. 10-30. Returns.

20 (a) Every distributor shall, on or before the 15th day of  
21 each month, file a return with the Department covering the  
22 preceding calendar month. The return shall disclose the  
23 wholesale price for all tobacco products other than moist  
24 snuff and the quantity in ounces of moist snuff sold or

1 otherwise disposed of and other information that the  
2 Department may reasonably require. Information that the  
3 Department may reasonably require includes information related  
4 to the uniform regulation and taxation of tobacco products.

5 The return shall be filed upon a form prescribed and furnished  
6 by the Department.

7 (b) In addition to the information required under  
8 subsection (a), on or before the 15th day of each month,  
9 covering the preceding calendar month, each stamping  
10 distributor shall, on forms prescribed and furnished by the  
11 Department, report the quantity of little cigars sold or  
12 otherwise disposed of, including the number of packages of  
13 little cigars sold or disposed of during the month containing  
14 20 or 25 little cigars.

15 (c) At the time when any return of any distributor is due  
16 to be filed with the Department, the distributor shall also  
17 remit to the Department the tax liability that the distributor  
18 has incurred for transactions occurring in the preceding  
19 calendar month.

20 (d) The Department may adopt rules to require the  
21 electronic filing of any return or document required to be  
22 filed under this Act. Those rules may provide for exceptions  
23 from the filing requirement set forth in this paragraph for  
24 persons who demonstrate that they do not have access to the  
25 Internet and petition the Department to waive the electronic  
26 filing requirement.



1 (e) If any payment provided for in this Section exceeds  
2 the distributor's liabilities under this Act, as shown on an  
3 original return, the distributor may credit such excess  
4 payment against liability subsequently to be remitted to the  
5 Department under this Act, in accordance with reasonable rules  
6 adopted by the Department.

7 (Source: P.A. 100-1171, eff. 1-4-19.)

8 ARTICLE 85.

9 Section 85-5. The Illinois Income Tax Act is amended by  
10 changing Section 304 as follows:

11 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

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

13 (a) In general. The business income of a person other than  
14 a resident shall be allocated to this State if such person's  
15 business income is derived solely from this State. If a person  
16 other than a resident derives business income from this State  
17 and one or more other states, then, for tax years ending on or  
18 before December 30, 1998, and except as otherwise provided by  
19 this Section, such person's business income shall be  
20 apportioned to this State by multiplying the income by a  
21 fraction, the numerator of which is the sum of the property  
22 factor (if any), the payroll factor (if any) and 200% of the  
23 sales factor (if any), and the denominator of which is 4

1 reduced by the number of factors other than the sales factor  
2 which have a denominator of zero and by an additional 2 if the  
3 sales factor has a denominator of zero. For tax years ending on  
4 or after December 31, 1998, and except as otherwise provided  
5 by this Section, persons other than residents who derive  
6 business income from this State and one or more other states  
7 shall compute their apportionment factor by weighting their  
8 property, payroll, and sales factors as provided in subsection  
9 (h) of this Section.

10 (1) Property factor.

11 (A) The property factor is a fraction, the numerator  
12 of which is the average value of the person's real and  
13 tangible personal property owned or rented and used in the  
14 trade or business in this State during the taxable year  
15 and the denominator of which is the average value of all  
16 the person's real and tangible personal property owned or  
17 rented and used in the trade or business during the  
18 taxable year.

19 (B) Property owned by the person is valued at its  
20 original cost. Property rented by the person is valued at  
21 8 times the net annual rental rate. Net annual rental rate  
22 is the annual rental rate paid by the person less any  
23 annual rental rate received by the person from  
24 sub-rentals.

25 (C) The average value of property shall be determined  
26 by averaging the values at the beginning and ending of the

1 taxable year, but the Director may require the averaging  
2 of monthly values during the taxable year if reasonably  
3 required to reflect properly the average value of the  
4 person's property.

5 (2) Payroll factor.

6 (A) The payroll factor is a fraction, the numerator of  
7 which is the total amount paid in this State during the  
8 taxable year by the person for compensation, and the  
9 denominator of which is the total compensation paid  
10 everywhere during the taxable year.

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

12 (i) The individual's service is performed entirely  
13 within this State;

14 (ii) The individual's service is performed both  
15 within and without this State, but the service  
16 performed without this State is incidental to the  
17 individual's service performed within this State; or

18 (iii) For tax years ending prior to December 31,  
19 2020, some of the service is performed within this  
20 State and either the base of operations, or if there is  
21 no base of operations, the place from which the  
22 service is directed or controlled is within this  
23 State, or the base of operations or the place from  
24 which the service is directed or controlled is not in  
25 any state in which some part of the service is  
26 performed, but the individual's residence is in this

1 State. For tax years ending on or after December 31,  
2 2020, compensation is paid in this State if some of the  
3 individual's service is performed within this State,  
4 the individual's service performed within this State  
5 is nonincidental to the individual's service performed  
6 without this State, and the individual's service is  
7 performed within this State for more than 30 working  
8 days during the tax year. The amount of compensation  
9 paid in this State shall include the portion of the  
10 individual's total compensation for services performed  
11 on behalf of his or her employer during the tax year  
12 which the number of working days spent within this  
13 State during the tax year bears to the total number of  
14 working days spent both within and without this State  
15 during the tax year. For purposes of this paragraph:

16 (a) The term "working day" means all days  
17 during the tax year in which the individual  
18 performs duties on behalf of his or her employer.  
19 All days in which the individual performs no  
20 duties on behalf of his or her employer (e.g.,  
21 weekends, vacation days, sick days, and holidays)  
22 are not working days.

23 (b) A working day is spent within this State  
24 if:

25 (1) the individual performs service on  
26 behalf of the employer and a greater amount of

1 time on that day is spent by the individual  
2 performing duties on behalf of the employer  
3 within this State, without regard to time  
4 spent traveling, than is spent performing  
5 duties on behalf of the employer without this  
6 State; or

7 (2) the only service the individual  
8 performs on behalf of the employer on that day  
9 is traveling to a destination within this  
10 State, and the individual arrives on that day.

11 (c) Working days spent within this State do  
12 not include any day in which the employee is  
13 performing services in this State during a  
14 disaster period solely in response to a request  
15 made to his or her employer by the government of  
16 this State, by any political subdivision of this  
17 State, or by a person conducting business in this  
18 State to perform disaster or emergency-related  
19 services in this State. For purposes of this item

20 (c):

21 "Declared State disaster or emergency"  
22 means a disaster or emergency event (i) for  
23 which a Governor's proclamation of a state of  
24 emergency has been issued or (ii) for which a  
25 Presidential declaration of a federal major  
26 disaster or emergency has been issued.

1 "Disaster period" means a period that  
2 begins 10 days prior to the date of the  
3 Governor's proclamation or the President's  
4 declaration (whichever is earlier) and extends  
5 for a period of 60 calendar days after the end  
6 of the declared disaster or emergency period.

7 "Disaster or emergency-related services"  
8 means repairing, renovating, installing,  
9 building, or rendering services or conducting  
10 other business activities that relate to  
11 infrastructure that has been damaged,  
12 impaired, or destroyed by the declared State  
13 disaster or emergency.

14 "Infrastructure" means property and  
15 equipment owned or used by a public utility,  
16 communications network, broadband and internet  
17 service provider, cable and video service  
18 provider, electric or gas distribution system,  
19 or water pipeline that provides service to  
20 more than one customer or person, including  
21 related support facilities. "Infrastructure"  
22 includes, but is not limited to, real and  
23 personal property such as buildings, offices,  
24 power lines, cable lines, poles,  
25 communications lines, pipes, structures, and  
26 equipment.

1           (iv) Compensation paid to nonresident professional  
2 athletes.

3           (a) General. The Illinois source income of a  
4 nonresident individual who is a member of a  
5 professional athletic team includes the portion of the  
6 individual's total compensation for services performed  
7 as a member of a professional athletic team during the  
8 taxable year which the number of duty days spent  
9 within this State performing services for the team in  
10 any manner during the taxable year bears to the total  
11 number of duty days spent both within and without this  
12 State during the taxable year.

13           (b) Travel days. Travel days that do not involve  
14 either a game, practice, team meeting, or other  
15 similar team event are not considered duty days spent  
16 in this State. However, such travel days are  
17 considered in the total duty days spent both within  
18 and without this State.

19           (c) Definitions. For purposes of this subpart  
20 (iv):

21           (1) The term "professional athletic team"  
22 includes, but is not limited to, any professional  
23 baseball, basketball, football, soccer, or hockey  
24 team.

25           (2) The term "member of a professional  
26 athletic team" includes those employees who are

1 active players, players on the disabled list, and  
2 any other persons required to travel and who  
3 travel with and perform services on behalf of a  
4 professional athletic team on a regular basis.  
5 This includes, but is not limited to, coaches,  
6 managers, and trainers.

7 (3) Except as provided in items (C) and (D) of  
8 this subpart (3), the term "duty days" means all  
9 days during the taxable year from the beginning of  
10 the professional athletic team's official  
11 pre-season training period through the last game  
12 in which the team competes or is scheduled to  
13 compete. Duty days shall be counted for the year  
14 in which they occur, including where a team's  
15 official pre-season training period through the  
16 last game in which the team competes or is  
17 scheduled to compete, occurs during more than one  
18 tax year.

19 (A) Duty days shall also include days on  
20 which a member of a professional athletic team  
21 performs service for a team on a date that  
22 does not fall within the foregoing period  
23 (e.g., participation in instructional leagues,  
24 the "All Star Game", or promotional  
25 "caravans"). Performing a service for a  
26 professional athletic team includes conducting



1 training and rehabilitation activities, when  
2 such activities are conducted at team  
3 facilities.

4 (B) Also included in duty days are game  
5 days, practice days, days spent at team  
6 meetings, promotional caravans, preseason  
7 training camps, and days served with the team  
8 through all post-season games in which the  
9 team competes or is scheduled to compete.

10 (C) Duty days for any person who joins a  
11 team during the period from the beginning of  
12 the professional athletic team's official  
13 pre-season training period through the last  
14 game in which the team competes, or is  
15 scheduled to compete, shall begin on the day  
16 that person joins the team. Conversely, duty  
17 days for any person who leaves a team during  
18 this period shall end on the day that person  
19 leaves the team. Where a person switches teams  
20 during a taxable year, a separate duty-day  
21 calculation shall be made for the period the  
22 person was with each team.

23 (D) Days for which a member of a  
24 professional athletic team is not compensated  
25 and is not performing services for the team in  
26 any manner, including days when such member of

1 a professional athletic team has been  
2 suspended without pay and prohibited from  
3 performing any services for the team, shall  
4 not be treated as duty days.

5 (E) Days for which a member of a  
6 professional athletic team is on the disabled  
7 list and does not conduct rehabilitation  
8 activities at facilities of the team, and is  
9 not otherwise performing services for the team  
10 in Illinois, shall not be considered duty days  
11 spent in this State. All days on the disabled  
12 list, however, are considered to be included  
13 in total duty days spent both within and  
14 without this State.

15 (4) The term "total compensation for services  
16 performed as a member of a professional athletic  
17 team" means the total compensation received during  
18 the taxable year for services performed:

19 (A) from the beginning of the official  
20 pre-season training period through the last  
21 game in which the team competes or is  
22 scheduled to compete during that taxable year;  
23 and

24 (B) during the taxable year on a date  
25 which does not fall within the foregoing  
26 period (e.g., participation in instructional

1 leagues, the "All Star Game", or promotional  
2 caravans).

3 This compensation shall include, but is not  
4 limited to, salaries, wages, bonuses as described  
5 in this subpart, and any other type of  
6 compensation paid during the taxable year to a  
7 member of a professional athletic team for  
8 services performed in that year. This compensation  
9 does not include strike benefits, severance pay,  
10 termination pay, contract or option year buy-out  
11 payments, expansion or relocation payments, or any  
12 other payments not related to services performed  
13 for the team.

14 For purposes of this subparagraph, "bonuses"  
15 included in "total compensation for services  
16 performed as a member of a professional athletic  
17 team" subject to the allocation described in  
18 Section 302(c)(1) are: bonuses earned as a result  
19 of play (i.e., performance bonuses) during the  
20 season, including bonuses paid for championship,  
21 playoff or "bowl" games played by a team, or for  
22 selection to all-star league or other honorary  
23 positions; and bonuses paid for signing a  
24 contract, unless the payment of the signing bonus  
25 is not conditional upon the signee playing any  
26 games for the team or performing any subsequent

1 services for the team or even making the team, the  
2 signing bonus is payable separately from the  
3 salary and any other compensation, and the signing  
4 bonus is nonrefundable.

5 (3) Sales factor.

6 (A) The sales factor is a fraction, the numerator of  
7 which is the total sales of the person in this State during  
8 the taxable year, and the denominator of which is the  
9 total sales of the person everywhere during the taxable  
10 year.

11 (B) Sales of tangible personal property are in this  
12 State if:

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

17 (ii) The property is shipped from an office,  
18 store, warehouse, factory or other place of storage in  
19 this State and either the purchaser is the United  
20 States government or the person is not taxable in the  
21 state of the purchaser; provided, however, that  
22 premises owned or leased by a person who has  
23 independently contracted with the seller for the  
24 printing of newspapers, periodicals or books shall not  
25 be deemed to be an office, store, warehouse, factory  
26 or other place of storage for purposes of this

1 Section. Sales of tangible personal property are not  
2 in this State if the seller and purchaser would be  
3 members of the same unitary business group but for the  
4 fact that either the seller or purchaser is a person  
5 with 80% or more of total business activity outside of  
6 the United States and the property is purchased for  
7 resale.

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

10 (i) Gross receipts from the licensing, sale, or  
11 other disposition of a patent, copyright, trademark,  
12 or similar item of intangible personal property, other  
13 than gross receipts governed by paragraph (B-7) of  
14 this item (3), are in this State to the extent the item  
15 is utilized in this State during the year the gross  
16 receipts are included in gross income.

17 (ii) Place of utilization.

18 (I) A patent is utilized in a state to the  
19 extent that it is employed in production,  
20 fabrication, manufacturing, or other processing in  
21 the state or to the extent that a patented product  
22 is produced in the state. If a patent is utilized  
23 in more than one state, the extent to which it is  
24 utilized in any one state shall be a fraction  
25 equal to the gross receipts of the licensee or  
26 purchaser from sales or leases of items produced,

1           fabricated, manufactured, or processed within that  
2           state using the patent and of patented items  
3           produced within that state, divided by the total  
4           of such gross receipts for all states in which the  
5           patent is utilized.

6           (II) A copyright is utilized in a state to the  
7           extent that printing or other publication  
8           originates in the state. If a copyright is  
9           utilized in more than one state, the extent to  
10          which it is utilized in any one state shall be a  
11          fraction equal to the gross receipts from sales or  
12          licenses of materials printed or published in that  
13          state divided by the total of such gross receipts  
14          for all states in which the copyright is utilized.

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

19          (iii) If the state of utilization of an item of  
20          property governed by this paragraph (B-1) cannot be  
21          determined from the taxpayer's books and records or  
22          from the books and records of any person related to the  
23          taxpayer within the meaning of Section 267(b) of the  
24          Internal Revenue Code, 26 U.S.C. 267, the gross  
25          receipts attributable to that item shall be excluded  
26          from both the numerator and the denominator of the

1 sales factor.

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

15 (B-5) For taxable years ending on or after December  
16 31, 2008, except as provided in subsections (ii) through  
17 (vii), receipts from the sale of telecommunications  
18 service or mobile telecommunications service are in this  
19 State if the customer's service address is in this State.

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

22 "Ancillary services" means services that are  
23 associated with or incidental to the provision of  
24 "telecommunications services", including, but not  
25 limited to, "detailed telecommunications billing",  
26 "directory assistance", "vertical service", and "voice

1 mail services".

2 "Air-to-Ground Radiotelephone service" means a  
3 radio service, as that term is defined in 47 CFR 22.99,  
4 in which common carriers are authorized to offer and  
5 provide radio telecommunications service for hire to  
6 subscribers in aircraft.

7 "Call-by-call Basis" means any method of charging  
8 for telecommunications services where the price is  
9 measured by individual calls.

10 "Communications Channel" means a physical or  
11 virtual path of communications over which signals are  
12 transmitted between or among customer channel  
13 termination points.

14 "Conference bridging service" means an "ancillary  
15 service" that links two or more participants of an  
16 audio or video conference call and may include the  
17 provision of a telephone number. "Conference bridging  
18 service" does not include the "telecommunications  
19 services" used to reach the conference bridge.

20 "Customer Channel Termination Point" means the  
21 location where the customer either inputs or receives  
22 the communications.

23 "Detailed telecommunications billing service"  
24 means an "ancillary service" of separately stating  
25 information pertaining to individual calls on a  
26 customer's billing statement.



1           "Directory assistance" means an "ancillary  
2 service" of providing telephone number information,  
3 and/or address information.

4           "Home service provider" means the facilities based  
5 carrier or reseller with which the customer contracts  
6 for the provision of mobile telecommunications  
7 services.

8           "Mobile telecommunications service" means  
9 commercial mobile radio service, as defined in Section  
10 20.3 of Title 47 of the Code of Federal Regulations as  
11 in effect on June 1, 1999.

12           "Place of primary use" means the street address  
13 representative of where the customer's use of the  
14 telecommunications service primarily occurs, which  
15 must be the residential street address or the primary  
16 business street address of the customer. In the case  
17 of mobile telecommunications services, "place of  
18 primary use" must be within the licensed service area  
19 of the home service provider.

20           "Post-paid telecommunication service" means the  
21 telecommunications service obtained by making a  
22 payment on a call-by-call basis either through the use  
23 of a credit card or payment mechanism such as a bank  
24 card, travel card, credit card, or debit card, or by  
25 charge made to a telephone number which is not  
26 associated with the origination or termination of the

1 telecommunications service. A post-paid calling  
2 service includes telecommunications service, except a  
3 prepaid wireless calling service, that would be a  
4 prepaid calling service except it is not exclusively a  
5 telecommunication service.

6 "Prepaid telecommunication service" means the  
7 right to access exclusively telecommunications  
8 services, which must be paid for in advance and which  
9 enables the origination of calls using an access  
10 number or authorization code, whether manually or  
11 electronically dialed, and that is sold in  
12 predetermined units or dollars of which the number  
13 declines with use in a known amount.

14 "Prepaid Mobile telecommunication service" means a  
15 telecommunications service that provides the right to  
16 utilize mobile wireless service as well as other  
17 non-telecommunication services, including, but not  
18 limited to, ancillary services, which must be paid for  
19 in advance that is sold in predetermined units or  
20 dollars of which the number declines with use in a  
21 known amount.

22 "Private communication service" means a  
23 telecommunication service that entitles the customer  
24 to exclusive or priority use of a communications  
25 channel or group of channels between or among  
26 termination points, regardless of the manner in which

1 such channel or channels are connected, and includes  
2 switching capacity, extension lines, stations, and any  
3 other associated services that are provided in  
4 connection with the use of such channel or channels.

5 "Service address" means:

6 (a) The location of the telecommunications  
7 equipment to which a customer's call is charged  
8 and from which the call originates or terminates,  
9 regardless of where the call is billed or paid;

10 (b) If the location in line (a) is not known,  
11 service address means the origination point of the  
12 signal of the telecommunications services first  
13 identified by either the seller's  
14 telecommunications system or in information  
15 received by the seller from its service provider  
16 where the system used to transport such signals is  
17 not that of the seller; and

18 (c) If the locations in line (a) and line (b)  
19 are not known, the service address means the  
20 location of the customer's place of primary use.

21 "Telecommunications service" means the electronic  
22 transmission, conveyance, or routing of voice, data,  
23 audio, video, or any other information or signals to a  
24 point, or between or among points. The term  
25 "telecommunications service" includes such  
26 transmission, conveyance, or routing in which computer

1 processing applications are used to act on the form,  
2 code or protocol of the content for purposes of  
3 transmission, conveyance or routing without regard to  
4 whether such service is referred to as voice over  
5 Internet protocol services or is classified by the  
6 Federal Communications Commission as enhanced or value  
7 added. "Telecommunications service" does not include:

8 (a) Data processing and information services  
9 that allow data to be generated, acquired, stored,  
10 processed, or retrieved and delivered by an  
11 electronic transmission to a purchaser when such  
12 purchaser's primary purpose for the underlying  
13 transaction is the processed data or information;

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

16 (c) Tangible personal property;

17 (d) Advertising, including, but not limited  
18 to, directory advertising;

19 (e) Billing and collection services provided  
20 to third parties;

21 (f) Internet access service;

22 (g) Radio and television audio and video  
23 programming services, regardless of the medium,  
24 including the furnishing of transmission,  
25 conveyance and routing of such services by the  
26 programming service provider. Radio and television

1 audio and video programming services shall  
2 include, but not be limited to, cable service as  
3 defined in 47 USC 522(6) and audio and video  
4 programming services delivered by commercial  
5 mobile radio service providers, as defined in 47  
6 CFR 20.3;

7 (h) "Ancillary services"; or

8 (i) Digital products "delivered  
9 electronically", including, but not limited to,  
10 software, music, video, reading materials or ring  
11 tones.

12 "Vertical service" means an "ancillary service"  
13 that is offered in connection with one or more  
14 "telecommunications services", which offers advanced  
15 calling features that allow customers to identify  
16 callers and to manage multiple calls and call  
17 connections, including "conference bridging services".

18 "Voice mail service" means an "ancillary service"  
19 that enables the customer to store, send or receive  
20 recorded messages. "Voice mail service" does not  
21 include any "vertical services" that the customer may  
22 be required to have in order to utilize the "voice mail  
23 service".

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

1 (a) The call both originates and terminates in  
2 this State.

3 (b) The call either originates or terminates  
4 in this State and the service address is located  
5 in this State.

6 (iii) Receipts from the sale of postpaid  
7 telecommunications service at retail are in this State  
8 if the origination point of the telecommunication  
9 signal, as first identified by the service provider's  
10 telecommunication system or as identified by  
11 information received by the seller from its service  
12 provider if the system used to transport  
13 telecommunication signals is not the seller's, is  
14 located in this State.

15 (iv) Receipts from the sale of prepaid  
16 telecommunications service or prepaid mobile  
17 telecommunications service at retail are in this State  
18 if the purchaser obtains the prepaid card or similar  
19 means of conveyance at a location in this State.  
20 Receipts from recharging a prepaid telecommunications  
21 service or mobile telecommunications service is in  
22 this State if the purchaser's billing information  
23 indicates a location in this State.

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

26 (a) 100% of receipts from charges imposed at

1 each channel termination point in this State.

2 (b) 100% of receipts from charges for the  
3 total channel mileage between each channel  
4 termination point in this State.

5 (c) 50% of the total receipts from charges for  
6 service segments when those segments are between 2  
7 customer channel termination points, 1 of which is  
8 located in this State and the other is located  
9 outside of this State, which segments are  
10 separately charged.

11 (d) The receipts from charges for service  
12 segments with a channel termination point located  
13 in this State and in two or more other states, and  
14 which segments are not separately billed, are in  
15 this State based on a percentage determined by  
16 dividing the number of customer channel  
17 termination points in this State by the total  
18 number of customer channel termination points.

19 (vi) Receipts from charges for ancillary services  
20 for telecommunications service sold to customers at  
21 retail are in this State if the customer's primary  
22 place of use of telecommunications services associated  
23 with those ancillary services is in this State. If the  
24 seller of those ancillary services cannot determine  
25 where the associated telecommunications are located,  
26 then the ancillary services shall be based on the

1 location of the purchaser.

2 (vii) Receipts to access a carrier's network or  
3 from the sale of telecommunication services or  
4 ancillary services for resale are in this State as  
5 follows:

6 (a) 100% of the receipts from access fees  
7 attributable to intrastate telecommunications  
8 service that both originates and terminates in  
9 this State.

10 (b) 50% of the receipts from access fees  
11 attributable to interstate telecommunications  
12 service if the interstate call either originates  
13 or terminates in this State.

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

21 (d) Gross receipts from sales of  
22 telecommunication services or from ancillary  
23 services for telecommunications services sold to  
24 other telecommunication service providers for  
25 resale shall be sourced to this State using the  
26 apportionment concepts used for non-resale



1 receipts of telecommunications services if the  
2 information is readily available to make that  
3 determination. If the information is not readily  
4 available, then the taxpayer may use any other  
5 reasonable and consistent method.

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

11 "Advertising revenue" means consideration received  
12 by the taxpayer in exchange for broadcasting services  
13 or allowing the broadcasting of commercials or  
14 announcements in connection with the broadcasting of  
15 film or radio programming, from sponsorships of the  
16 programming, or from product placements in the  
17 programming.

18 "Audience factor" means the ratio that the  
19 audience or subscribers located in this State of a  
20 station, a network, or a cable system bears to the  
21 total audience or total subscribers for that station,  
22 network, or cable system. The audience factor for film  
23 or radio programming shall be determined by reference  
24 to the books and records of the taxpayer or by  
25 reference to published rating statistics provided the  
26 method used by the taxpayer is consistently used from

1 year to year for this purpose and fairly represents  
2 the taxpayer's activity in this State.

3 "Broadcast" or "broadcasting" or "broadcasting  
4 services" means the transmission or provision of film  
5 or radio programming, whether through the public  
6 airwaves, by cable, by direct or indirect satellite  
7 transmission, or by any other means of communication,  
8 either through a station, a network, or a cable  
9 system.

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

21 "Radio" or "radio programming" means the broadcast  
22 on radio of any and all performances, events, or  
23 productions, including, but not limited to, news,  
24 sporting events, plays, stories, or other literary,  
25 commercial, educational, or artistic works, either  
26 live or through the use of an audio tape, disc, or any

1 other format or medium. Each episode in a series of  
2 radio programming produced for radio broadcast shall  
3 constitute a separate "radio programming"  
4 notwithstanding that the series relates to the same  
5 principal subject and is produced during one or more  
6 tax periods.

7 (i) In the case of advertising revenue from  
8 broadcasting, the customer is the advertiser and  
9 the service is received in this State if the  
10 commercial domicile of the advertiser is in this  
11 State.

12 (ii) In the case where film or radio  
13 programming is broadcast by a station, a network,  
14 or a cable system for a fee or other remuneration  
15 received from the recipient of the broadcast, the  
16 portion of the service that is received in this  
17 State is measured by the portion of the recipients  
18 of the broadcast located in this State.  
19 Accordingly, the fee or other remuneration for  
20 such service that is included in the Illinois  
21 numerator of the sales factor is the total of  
22 those fees or other remuneration received from  
23 recipients in Illinois. For purposes of this  
24 paragraph, a taxpayer may determine the location  
25 of the recipients of its broadcast using the  
26 address of the recipient shown in its contracts

1 with the recipient or using the billing address of  
2 the recipient in the taxpayer's records.

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

18 (iv) In the case where film or radio  
19 programming is provided by a taxpayer that is a  
20 network or station to a customer for broadcast in  
21 exchange for a fee or other remuneration from that  
22 customer the broadcasting service is received at  
23 the location of the office of the customer from  
24 which the services were ordered in the regular  
25 course of the customer's trade or business.  
26 Accordingly, in such a case the revenue derived by

1           the taxpayer that is included in the taxpayer's  
2           Illinois numerator of the sales factor is the  
3           revenue from such customers who receive the  
4           broadcasting service in Illinois.

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

18          (B-8) Gross receipts from winnings under the Illinois  
19          Lottery Law from the assignment of a prize under Section  
20          13.1 of the Illinois Lottery Law are received in this  
21          State. This paragraph (B-8) applies only to taxable years  
22          ending on or after December 31, 2013.

23          (B-9) For taxable years ending on or after December  
24          31, 2019, gross receipts from winnings from pari-mutuel  
25          wagering conducted at a wagering facility licensed under  
26          the Illinois Horse Racing Act of 1975 or from winnings

1 from gambling games conducted on a riverboat or in a  
2 casino or organization gaming facility licensed under the  
3 Illinois Gambling Act are in this State.

4 (B-10) For taxable years ending on or after December  
5 31, 2021, gross receipts from winnings from sports  
6 wagering conducted in accordance with the Sports Wagering  
7 Act are in this State.

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

11 (i) The income-producing activity is performed in  
12 this State; or

13 (ii) The income-producing activity is performed  
14 both within and without this State and a greater  
15 proportion of the income-producing activity is  
16 performed within this State than without this State,  
17 based on performance costs.

18 (C-5) For taxable years ending on or after December  
19 31, 2008, sales, other than sales governed by paragraphs  
20 (B), (B-1), (B-2), (B-5), and (B-7), are in this State if  
21 any of the following criteria are met:

22 (i) Sales from the sale or lease of real property  
23 are in this State if the property is located in this  
24 State.

25 (ii) Sales from the lease or rental of tangible  
26 personal property are in this State if the property is

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

8 (iii) In the case of interest, net gains (but not  
9 less than zero) and other items of income from  
10 intangible personal property, the sale is in this  
11 State if:

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

1                   (b)     in     all     other     cases,     if     the  
2                   income-producing activity of the taxpayer is  
3                   performed     in     this     State     or,     if     the  
4                   income-producing activity of the taxpayer is  
5                   performed both within and without this State, if a  
6                   greater     proportion     of     the     income-producing  
7                   activity of the taxpayer is performed within this  
8                   State     than     in     any     other     state,     based     on  
9                   performance costs.

10                  (iv) Sales of services are in this State if the  
11                  services are received in this State. For the purposes  
12                  of this section, gross receipts from the performance  
13                  of services provided to a corporation, partnership, or  
14                  trust may only be attributed to a state where that  
15                  corporation, partnership, or trust has a fixed place  
16                  of business. If the state where the services are  
17                  received is not readily determinable or is a state  
18                  where the corporation, partnership, or trust receiving  
19                  the service does not have a fixed place of business,  
20                  the services shall be deemed to be received at the  
21                  location of the office of the customer from which the  
22                  services were ordered in the regular course of the  
23                  customer's trade or business. If the ordering office  
24                  cannot be determined, the services shall be deemed to  
25                  be received at the office of the customer to which the  
26                  services are billed. If the taxpayer is not taxable in



1           the state in which the services are received, the sale  
2           must be excluded from both the numerator and the  
3           denominator of the sales factor. The Department shall  
4           adopt rules prescribing where specific types of  
5           service are received, including, but not limited to,  
6           publishing, and utility service.

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

16          (E) Paragraphs (B-1) and (B-2) shall apply to tax  
17          years ending on or after December 31, 1999, provided that  
18          a taxpayer may elect to apply the provisions of these  
19          paragraphs to prior tax years. Such election shall be made  
20          in the form and manner prescribed by the Department, shall  
21          be irrevocable, and shall apply to all tax years; provided  
22          that, if a taxpayer's Illinois income tax liability for  
23          any tax year, as assessed under Section 903 prior to  
24          January 1, 1999, was computed in a manner contrary to the  
25          provisions of paragraphs (B-1) or (B-2), no refund shall  
26          be payable to the taxpayer for that tax year to the extent

1       such refund is the result of applying the provisions of  
2       paragraph (B-1) or (B-2) retroactively. In the case of a  
3       unitary business group, such election shall apply to all  
4       members of such group for every tax year such group is in  
5       existence, but shall not apply to any taxpayer for any  
6       period during which that taxpayer is not a member of such  
7       group.

8       (b) Insurance companies.

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

24           (2) Reinsurance. If the principal source of premiums  
25       written by an insurance company consists of premiums for  
26       reinsurance accepted by it, the business income of such

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

1 permission of the Department, which shall not be  
2 unreasonably withheld.

3 (c) Financial organizations.

4 (1) In general. For taxable years ending before  
5 December 31, 2008, business income of a financial  
6 organization shall be apportioned to this State by  
7 multiplying such income by a fraction, the numerator of  
8 which is its business income from sources within this  
9 State, and the denominator of which is its business income  
10 from all sources. For the purposes of this subsection, the  
11 business income of a financial organization from sources  
12 within this State is the sum of the amounts referred to in  
13 subparagraphs (A) through (E) following, but excluding the  
14 adjusted income of an international banking facility as  
15 determined in paragraph (2):

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

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

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

22 (D) Interest charged to customers at places of  
23 business maintained within this State for carrying  
24 debit balances of margin accounts, without deduction  
25 of any costs incurred in carrying such accounts; and

26 (E) Any other gross income resulting from the

1 operation as a financial organization within this  
2 State.

3 In computing the amounts referred to in paragraphs (A)  
4 through (E) of this subsection, any amount received by a  
5 member of an affiliated group (determined under Section  
6 1504(a) of the Internal Revenue Code but without reference  
7 to whether any such corporation is an "includible  
8 corporation" under Section 1504(b) of the Internal Revenue  
9 Code) from another member of such group shall be included  
10 only to the extent such amount exceeds expenses of the  
11 recipient directly related thereto.

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

14 (A) Adjusted Income. The adjusted income of an  
15 international banking facility is its income reduced  
16 by the amount of the floor amount.

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

21 (i) The numerator shall be:

22 The average aggregate, determined on a  
23 quarterly basis, of the financial organization's  
24 loans to banks in foreign countries, to foreign  
25 domiciled borrowers (except where secured  
26 primarily by real estate) and to foreign

1 governments and other foreign official  
2 institutions, as reported for its branches,  
3 agencies and offices within the state on its  
4 "Consolidated Report of Condition", Schedule A,  
5 Lines 2.c., 5.b., and 7.a., which was filed with  
6 the Federal Deposit Insurance Corporation and  
7 other regulatory authorities, for the year 1980,  
8 minus

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

20 (ii) the denominator shall be the average  
21 aggregate, determined on a quarterly basis, of the  
22 international banking facility's loans to banks in  
23 foreign countries, to foreign domiciled borrowers  
24 (except where secured primarily by real estate)  
25 and to foreign governments and other foreign  
26 official institutions, which were recorded in its

1 financial accounts for the current taxable year.

2 (C) Change to Consolidated Report of Condition and  
3 in Qualification. In the event the Consolidated Report  
4 of Condition which is filed with the Federal Deposit  
5 Insurance Corporation and other regulatory authorities  
6 is altered so that the information required for  
7 determining the floor amount is not found on Schedule  
8 A, lines 2.c., 5.b. and 7.a., the financial  
9 institution shall notify the Department and the  
10 Department may, by regulations or otherwise, prescribe  
11 or authorize the use of an alternative source for such  
12 information. The financial institution shall also  
13 notify the Department should its international banking  
14 facility fail to qualify as such, in whole or in part,  
15 or should there be any amendment or change to the  
16 Consolidated Report of Condition, as originally filed,  
17 to the extent such amendment or change alters the  
18 information used in determining the floor amount.

19 (3) For taxable years ending on or after December 31,  
20 2008, the business income of a financial organization  
21 shall be apportioned to this State by multiplying such  
22 income by a fraction, the numerator of which is its gross  
23 receipts from sources in this State or otherwise  
24 attributable to this State's marketplace and the  
25 denominator of which is its gross receipts everywhere  
26 during the taxable year. "Gross receipts" for purposes of

1           this subparagraph (3) means gross income, including net  
2           taxable gain on disposition of assets, including  
3           securities and money market instruments, when derived from  
4           transactions and activities in the regular course of the  
5           financial organization's trade or business. The following  
6           examples are illustrative:

7                   (i) Receipts from the lease or rental of real or  
8                   tangible personal property are in this State if the  
9                   property is located in this State during the rental  
10                  period. Receipts from the lease or rental of tangible  
11                  personal property that is characteristically moving  
12                  property, including, but not limited to, motor  
13                  vehicles, rolling stock, aircraft, vessels, or mobile  
14                  equipment are from sources in this State to the extent  
15                  that the property is used in this State.

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

21                  (iii) Interest income, commissions, fees, gains on  
22                  disposition, and other receipts from consumer loans  
23                  that are not secured by real or tangible personal  
24                  property are from sources in this State if the debtor  
25                  is a resident of this State.

26                  (iv) Interest income, commissions, fees, gains on



1 disposition, and other receipts from commercial loans  
2 and installment obligations that are not secured by  
3 real or tangible personal property are from sources in  
4 this State if the proceeds of the loan are to be  
5 applied in this State. If it cannot be determined  
6 where the funds are to be applied, the income and  
7 receipts are from sources in this State if the office  
8 of the borrower from which the loan was negotiated in  
9 the regular course of business is located in this  
10 State. If the location of this office cannot be  
11 determined, the income and receipts shall be excluded  
12 from the numerator and denominator of the sales  
13 factor.

14 (v) Interest income, fees, gains on disposition,  
15 service charges, merchant discount income, and other  
16 receipts from credit card receivables are from sources  
17 in this State if the card charges are regularly billed  
18 to a customer in this State.

19 (vi) Receipts from the performance of services,  
20 including, but not limited to, fiduciary, advisory,  
21 and brokerage services, are in this State if the  
22 services are received in this State within the meaning  
23 of subparagraph (a) (3) (C-5) (iv) of this Section.

24 (vii) Receipts from the issuance of travelers  
25 checks and money orders are from sources in this State  
26 if the checks and money orders are issued from a

1 location within this State.

2 (viii) For tax years ending before December 31,  
3 2024, receipts ~~Receipts~~ from investment assets and  
4 activities and trading assets and activities are  
5 included in the receipts factor as follows:

6 (1) Interest, dividends, net gains (but not  
7 less than zero) and other income from investment  
8 assets and activities from trading assets and  
9 activities shall be included in the receipts  
10 factor. Investment assets and activities and  
11 trading assets and activities include, but are not  
12 limited to: investment securities; trading account  
13 assets; federal funds; securities purchased and  
14 sold under agreements to resell or repurchase;  
15 options; futures contracts; forward contracts;  
16 notional principal contracts such as swaps;  
17 equities; and foreign currency transactions. With  
18 respect to the investment and trading assets and  
19 activities described in subparagraphs (A) and (B)  
20 of this paragraph, the receipts factor shall  
21 include the amounts described in such  
22 subparagraphs.

23 (A) The receipts factor shall include the  
24 amount by which interest from federal funds  
25 sold and securities purchased under resale  
26 agreements exceeds interest expense on federal

1 funds purchased and securities sold under  
2 repurchase agreements.

3 (B) The receipts factor shall include the  
4 amount by which interest, dividends, gains and  
5 other income from trading assets and  
6 activities, including, but not limited to,  
7 assets and activities in the matched book, in  
8 the arbitrage book, and foreign currency  
9 transactions, exceed amounts paid in lieu of  
10 interest, amounts paid in lieu of dividends,  
11 and losses from such assets and activities.

12 (2) The numerator of the receipts factor  
13 includes interest, dividends, net gains (but not  
14 less than zero), and other income from investment  
15 assets and activities and from trading assets and  
16 activities described in paragraph (1) of this  
17 subsection that are attributable to this State.

18 (A) The amount of interest, dividends, net  
19 gains (but not less than zero), and other  
20 income from investment assets and activities  
21 in the investment account to be attributed to  
22 this State and included in the numerator is  
23 determined by multiplying all such income from  
24 such assets and activities by a fraction, the  
25 numerator of which is the gross income from  
26 such assets and activities which are properly

1 assigned to a fixed place of business of the  
2 taxpayer within this State and the denominator  
3 of which is the gross income from all such  
4 assets and activities.

5 (B) The amount of interest from federal  
6 funds sold and purchased and from securities  
7 purchased under resale agreements and  
8 securities sold under repurchase agreements  
9 attributable to this State and included in the  
10 numerator is determined by multiplying the  
11 amount described in subparagraph (A) of  
12 paragraph (1) of this subsection from such  
13 funds and such securities by a fraction, the  
14 numerator of which is the gross income from  
15 such funds and such securities which are  
16 properly assigned to a fixed place of business  
17 of the taxpayer within this State and the  
18 denominator of which is the gross income from  
19 all such funds and such securities.

20 (C) The amount of interest, dividends,  
21 gains, and other income from trading assets  
22 and activities, including, but not limited to,  
23 assets and activities in the matched book, in  
24 the arbitrage book and foreign currency  
25 transactions (but excluding amounts described  
26 in subparagraphs (A) or (B) of this

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

12 (D) Properly assigned, for purposes of  
13 this paragraph (2) of this subsection, means  
14 the investment or trading asset or activity is  
15 assigned to the fixed place of business with  
16 which it has a preponderance of substantive  
17 contacts. An investment or trading asset or  
18 activity assigned by the taxpayer to a fixed  
19 place of business without the State shall be  
20 presumed to have been properly assigned if:

21 (i) the taxpayer has assigned, in the  
22 regular course of its business, such asset  
23 or activity on its records to a fixed  
24 place of business consistent with federal  
25 or state regulatory requirements;

26 (ii) such assignment on its records is

1 based upon substantive contacts of the  
2 asset or activity to such fixed place of  
3 business; and

4 (iii) the taxpayer uses such records  
5 reflecting assignment of such assets or  
6 activities for the filing of all state and  
7 local tax returns for which an assignment  
8 of such assets or activities to a fixed  
9 place of business is required.

10 (E) The presumption of proper assignment  
11 of an investment or trading asset or activity  
12 provided in subparagraph (D) of paragraph (2)  
13 of this subsection may be rebutted upon a  
14 showing by the Department, supported by a  
15 preponderance of the evidence, that the  
16 preponderance of substantive contacts  
17 regarding such asset or activity did not occur  
18 at the fixed place of business to which it was  
19 assigned on the taxpayer's records. If the  
20 fixed place of business that has a  
21 preponderance of substantive contacts cannot  
22 be determined for an investment or trading  
23 asset or activity to which the presumption in  
24 subparagraph (D) of paragraph (2) of this  
25 subsection does not apply or with respect to  
26 which that presumption has been rebutted, that

1           asset or activity is properly assigned to the  
2           state in which the taxpayer's commercial  
3           domicile is located. For purposes of this  
4           subparagraph (E), it shall be presumed,  
5           subject to rebuttal, that taxpayer's  
6           commercial domicile is in the state of the  
7           United States or the District of Columbia to  
8           which the greatest number of employees are  
9           regularly connected with the management of the  
10          investment or trading income or out of which  
11          they are working, irrespective of where the  
12          services of such employees are performed, as  
13          of the last day of the taxable year.

14           (ix) For tax years ending on or after December 31,  
15           2024, receipts from investment assets and activities  
16           and trading assets and activities are included in the  
17           receipts factor as follows:

18           (1) Interest, dividends, net gains (but not  
19           less than zero), and other income from investment  
20           assets and activities from trading assets and  
21           activities shall be included in the receipts  
22           factor. Investment assets and activities and  
23           trading assets and activities include, but are not  
24           limited to the following: investment securities;  
25           trading account assets; federal funds; securities  
26           purchased and sold under agreements to resell or

1           repurchase; options; futures contracts; forward  
2           contracts; notional principal contracts, such as  
3           swaps; equities; and foreign currency  
4           transactions. With respect to the investment and  
5           trading assets and activities described in  
6           subparagraphs (A) and (B) of this paragraph, the  
7           receipts factor shall include the amounts  
8           described in those subparagraphs.

9                   (A) The receipts factor shall include the  
10                   amount by which interest from federal funds  
11                   sold and securities purchased under resale  
12                   agreements exceeds interest expense on federal  
13                   funds purchased and securities sold under  
14                   repurchase agreements.

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

24                   (2) The numerator of the receipts factor  
25                   includes interest, dividends, net gains (but not  
26                   less than zero), and other income from investment



1 assets and activities and from trading assets and  
2 activities described in paragraph (1) of this  
3 subsection that are attributable to this State.

4 (A) The amount of interest, dividends, net  
5 gains (but not less than zero), and other  
6 income from investment assets and activities  
7 in the investment account to be attributed to  
8 this State and included in the numerator is  
9 determined by multiplying all of the income  
10 from those assets and activities by a  
11 fraction, the numerator of which is the total  
12 receipts included in the numerator pursuant to  
13 items (i) through (vii) of this subparagraph  
14 (3) and the denominator of which is all total  
15 receipts included in the denominator, other  
16 than interest, dividends, net gains (but not  
17 less than zero), and other income from  
18 investment assets and activities and trading  
19 assets and activities.

20 (B) The amount of interest from federal  
21 funds sold and purchased and from securities  
22 purchased under resale agreements and  
23 securities sold under repurchase agreements  
24 attributable to this State and included in the  
25 numerator is determined by multiplying the  
26 amount described in subparagraph (A) of

1 paragraph (1) of this subsection from such  
2 funds and such securities by a fraction, the  
3 numerator of which is the total receipts  
4 included in the numerator pursuant to items  
5 (i) through (vii) of this subparagraph (3) and  
6 the denominator of which is all total receipts  
7 included in the denominator, other than  
8 interest, dividends, net gains (but not less  
9 than zero), and other income from investment  
10 assets and activities and trading assets and  
11 activities.

12 (C) The amount of interest, dividends,  
13 gains, and other income from trading assets  
14 and activities, including, but not limited to,  
15 assets and activities in the matched book, in  
16 the arbitrage book and foreign currency  
17 transactions (but excluding amounts described  
18 in subparagraphs (A) or (B) of this  
19 paragraph), attributable to this State and  
20 included in the numerator is determined by  
21 multiplying the amount described in  
22 subparagraph (B) of paragraph (1) of this  
23 subsection by a fraction, the numerator of  
24 which is the total receipts included in the  
25 numerator pursuant to items (i) through (vii)  
26 of this subparagraph (3) and the denominator

1           of which is all total receipts included in the  
2           denominator, other than interest, dividends,  
3           net gains (but not less than zero), and other  
4           income from investment assets and activities  
5           and trading assets and activities.

6           (4) (Blank).

7           (5) (Blank).

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

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

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

1 and (ii) for taxable years ending on or after December 31,  
2 2013, 27.54%.

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

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

24 In no event shall the Illinois apportionment percentage  
25 computed in accordance with this subsection (c-1) for any  
26 taxpayer for any tax year be less than the Illinois

1 apportionment percentage computed under this subsection (c-1)  
2 for that taxpayer for the first full tax year ending on or  
3 after December 31, 2013 for which this subsection (c-1)  
4 applied to the taxpayer.

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

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

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

1 (B) relative gross receipts from passenger and  
2 freight transportation, in case of transportation  
3 other than by railroad.

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

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

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

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

16 (B) relative gross receipts from passenger and  
17 freight transportation, in case of transportation  
18 other than by railroad.

19 (4) For taxable years ending on or after December 31,  
20 2008, business income derived from furnishing airline  
21 transportation services shall be apportioned to this State  
22 by multiplying such income by a fraction, the numerator of  
23 which is the revenue miles of the person in this State, and  
24 the denominator of which is the revenue miles of the  
25 person everywhere. For purposes of this paragraph, a  
26 revenue mile is the transportation of one passenger or one

1 net ton of freight the distance of one mile for a  
2 consideration. If a person is engaged in the  
3 transportation of both passengers and freight, the  
4 fraction above referred to shall be determined by means of  
5 an average of the passenger revenue mile fraction and the  
6 freight revenue mile fraction, weighted to reflect the  
7 person's relative gross receipts from passenger and  
8 freight airline transportation.

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

15 (f) Alternative allocation. If the allocation and  
16 apportionment provisions of subsections (a) through (e) and of  
17 subsection (h) do not, for taxable years ending before  
18 December 31, 2008, fairly represent the extent of a person's  
19 business activity in this State, or, for taxable years ending  
20 on or after December 31, 2008, fairly represent the market for  
21 the person's goods, services, or other sources of business  
22 income, the person may petition for, or the Director may,  
23 without a petition, permit or require, in respect of all or any  
24 part of the person's business activity, if reasonable:

25 (1) Separate accounting;

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



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

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

7           (g) Cross reference. For allocation of business income by  
8           residents, see Section 301(a).

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

12           (1) for tax years ending on or after December 31, 1998  
13           and before December 31, 1999,  $16 \frac{2}{3}\%$  of the property  
14           factor plus  $16 \frac{2}{3}\%$  of the payroll factor plus  $66 \frac{2}{3}\%$  of  
15           the sales factor;

16           (2) for tax years ending on or after December 31, 1999  
17           and before December 31, 2000,  $8 \frac{1}{3}\%$  of the property  
18           factor plus  $8 \frac{1}{3}\%$  of the payroll factor plus  $83 \frac{1}{3}\%$  of  
19           the sales factor;

20           (3) for tax years ending on or after December 31,  
21           2000, the sales factor.

22          If, in any tax year ending on or after December 31, 1998 and  
23          before December 31, 2000, the denominator of the payroll,  
24          property, or sales factor is zero, the apportionment factor  
25          computed in paragraph (1) or (2) of this subsection for that  
26          year shall be divided by an amount equal to 100% minus the

1 percentage weight given to each factor whose denominator is  
2 equal to zero.

3 (Source: P.A. 101-31, eff. 6-28-19; 101-585, eff. 8-26-19;  
4 102-40, eff. 6-25-21; 102-558, eff. 8-20-21.)

5 ARTICLE 90.

6 Section 90-5. The Illinois Income Tax Act is amended by  
7 changing Sections 218 and 227 as follows:

8 (35 ILCS 5/218)

9 Sec. 218. Credit for student-assistance contributions.

10 (a) For taxable years ending on or after December 31, 2009  
11 and on or before December 31, 2029 ~~2024~~, each taxpayer who,  
12 during the taxable year, makes a contribution (i) to a  
13 specified individual College Savings Pool Account under  
14 Section 16.5 of the State Treasurer Act or (ii) to the Illinois  
15 Prepaid Tuition Trust Fund in an amount matching a  
16 contribution made in the same taxable year by an employee of  
17 the taxpayer to that Account or Fund is entitled to a credit  
18 against the tax imposed under subsections (a) and (b) of  
19 Section 201 in an amount equal to 25% of that matching  
20 contribution, but not to exceed \$500 per contributing employee  
21 per taxable year.

22 (b) For taxable years ending before December 31, 2023, for  
23 partners, shareholders of Subchapter S corporations, and

1 owners of limited liability companies, if the liability  
2 company is treated as a partnership for purposes of federal  
3 and State income taxation, there is allowed a credit under  
4 this Section to be determined in accordance with the  
5 determination of income and distributive share of income under  
6 Sections 702 and 704 and Subchapter S of the Internal Revenue  
7 Code. For taxable years ending on or after December 31, 2023,  
8 partners and shareholders of subchapter S corporations are  
9 entitled to a credit under this Section as provided in Section  
10 251.

11 (c) The credit may not be carried back. If the amount of  
12 the credit exceeds the tax liability for the year, the excess  
13 may be carried forward and applied to the tax liability of the  
14 5 taxable years following the excess credit year. The tax  
15 credit shall be applied to the earliest year for which there is  
16 a tax liability. If there are credits for more than one year  
17 that are available to offset a liability, the earlier credit  
18 shall be applied first.

19 (d) A taxpayer claiming the credit under this Section must  
20 maintain and record any information that the Illinois Student  
21 Assistance Commission, the Office of the State Treasurer, or  
22 the Department may require regarding the matching contribution  
23 for which the credit is claimed.

24 (Source: P.A. 102-289, eff. 8-6-21; 103-396, eff. 1-1-24.)

1           Sec. 227. Adoption credit.

2           (a) Beginning with tax years ending on or after December  
3           31, 2018 and ending with tax years ending on or before December  
4           31, 2029, in the case of an individual taxpayer there shall be  
5           allowed a credit against the tax imposed by subsections (a)  
6           and (b) of Section 201 in an amount equal to the amount of the  
7           federal adoption tax credit received pursuant to Section 23 of  
8           the Internal Revenue Code with respect to the adoption of a  
9           qualifying dependent child, subject to the limitations set  
10          forth in this subsection and subsection (b). The aggregate  
11          amount of qualified adoption expenses which may be taken into  
12          account under this Section for all taxable years with respect  
13          to the adoption of a qualifying dependent child by the  
14          taxpayer shall not exceed \$2,000 (\$1,000 in the case of a  
15          married individual filing a separate return). The credit under  
16          this Section shall be allowed: (i) in the case of any expense  
17          paid or incurred before the taxable year in which such  
18          adoption becomes final, for the taxable year following the  
19          taxable year during which such expense is paid or incurred,  
20          and (ii) in the case of an expense paid or incurred during or  
21          after the taxable year in which such adoption becomes final,  
22          for the taxable year in which such expense is paid or incurred.  
23          No credit shall be allowed under this Section for any expense  
24          to the extent that funds for such expense are received under  
25          any federal, State, or local program. For purposes of this  
26          Section, spouses filing a joint return shall be considered one

1 taxpayer.

2 For a non-resident or part-year resident, the amount of  
3 the credit under this Section shall be in proportion to the  
4 amount of income attributable to this State.

5 (b) Increased credit amount for resident children. With  
6 respect to the adoption of an eligible child who is at least  
7 one year old and resides in Illinois at the time the expenses  
8 are paid or incurred, subsection (a) shall be applied by  
9 substituting \$5,000 (\$2,500 in the case of a married  
10 individual filing a separate return) for \$2,000.

11 (c) In no event shall a credit under this Section reduce  
12 the taxpayer's liability to less than zero. If the amount of  
13 the credit exceeds the income tax liability for the applicable  
14 tax year, the excess may be carried forward and applied to the  
15 tax liability of the 5 taxable years following the excess  
16 credit year. The credit shall be applied to the earliest year  
17 for which there is a tax liability. If there are credits from  
18 more than one year that are available to offset a liability,  
19 the earlier credit shall be applied first.

20 (d) The term "qualified adoption expenses" shall have the  
21 same meaning as under Section 23(d) of the Internal Revenue  
22 Code.

23 (Source: P.A. 100-587, eff. 6-4-18; 101-81, eff. 7-12-19.)

24

ARTICLE 95.

1 Section 95-5. The Property Tax Code is amended by changing  
2 Section 20-130 as follows:

3 (35 ILCS 200/20-130)

4 Sec. 20-130. Distribution of taxes in counties of less  
5 than 3,000,000; return of erroneous distribution.

6 (a) All distributions of taxes collected ~~and interest~~  
7 ~~earned thereon~~ by a county on behalf of taxing districts must  
8 be made by the county treasurer, in counties with less than  
9 3,000,000 inhabitants, within 30 days after the due date and  
10 at 30 days intervals thereafter, unless the amount to be  
11 distributed is less than \$5. The county treasurer shall  
12 distribute the taxes collected at the next 30-day interval if  
13 the taxes collected are \$5 or more. If the tax collections for  
14 a taxing district are less than \$5 for 3 consecutive 30-day  
15 intervals, the county treasurer shall automatically distribute  
16 the taxes collected to the unit of local government on the  
17 third 30-day interval. All interest earned by a county on  
18 behalf of taxing districts must be distributed by the county  
19 treasurer, in counties with less than 3,000,000 inhabitants,  
20 no later than the last distribution of taxes. The county  
21 treasurer shall determine the manner in which all  
22 distributions under this Section are to be made. The manner of  
23 distribution may include, but is not limited to, check or  
24 electronic funds transfer.

25 (b) Notwithstanding any other law to the contrary, if a

1 county makes an erroneous distribution of taxes collected and  
2 interest earned thereon, upon majority vote of the governing  
3 board of the taxing district that received the erroneous  
4 distribution, the taxing district shall return the funds to  
5 the county treasurer.

6 (Source: P.A. 91-378, eff. 7-30-99.)

7 ARTICLE 100.

8 Section 100-5. The Illinois Income Tax Act is amended by  
9 adding Section 244 as follows:

10 (35 ILCS 5/244 new)

11 Sec. 244. Child tax credit.

12 (a) For the taxable years beginning on or after January 1,  
13 2024, each individual taxpayer who has at least one qualifying  
14 child who is younger than 12 years of age as of the last day of  
15 the taxable year is entitled to a credit against the tax  
16 imposed by subsections (a) and (b) of Section 201. For tax  
17 years beginning on or after January 1, 2024 and before January  
18 1, 2025, the credit shall be equal to 20% of the credit allowed  
19 to the taxpayer under Section 212 of this Act for that taxable  
20 year. For tax years beginning on or after January 1, 2025, the  
21 amount of the credit shall be equal to 40% of the credit  
22 allowed to the taxpayer under Section 212 of this Act for that  
23 taxable year.





1 this Act and subsection (c) of this Section, the taxpayer's  
2 net income results in a loss;

3 (1) for any taxable year ending prior to December 31,  
4 1999, such loss shall be allowed as a carryover or  
5 carryback deduction in the manner allowed under Section  
6 172 of the Internal Revenue Code;

7 (2) for any taxable year ending on or after December  
8 31, 1999 and prior to December 31, 2003, such loss shall be  
9 allowed as a carryback to each of the 2 taxable years  
10 preceding the taxable year of such loss and shall be a net  
11 operating loss carryover to each of the 20 taxable years  
12 following the taxable year of such loss;

13 (3) for any taxable year ending on or after December  
14 31, 2003 and prior to December 31, 2021, such loss shall be  
15 allowed as a net operating loss carryover to each of the 12  
16 taxable years following the taxable year of such loss,  
17 except as provided in subsection (d); and

18 (4) for any taxable year ending on or after December  
19 31, 2021, and for any net loss incurred in a taxable year  
20 prior to a taxable year ending on or after December 31,  
21 2021 for which the statute of limitation for utilization  
22 of such net loss has not expired, such loss shall be  
23 allowed as a net operating loss carryover to each of the 20  
24 taxable years following the taxable year of such loss,  
25 except as provided in subsection (d).

26 (a-5) Election to relinquish carryback and order of

1 application of losses.

2 (A) For losses incurred in tax years ending prior  
3 to December 31, 2003, the taxpayer may elect to  
4 relinquish the entire carryback period with respect to  
5 such loss. Such election shall be made in the form and  
6 manner prescribed by the Department and shall be made  
7 by the due date (including extensions of time) for  
8 filing the taxpayer's return for the taxable year in  
9 which such loss is incurred, and such election, once  
10 made, shall be irrevocable.

11 (B) The entire amount of such loss shall be  
12 carried to the earliest taxable year to which such  
13 loss may be carried. The amount of such loss which  
14 shall be carried to each of the other taxable years  
15 shall be the excess, if any, of the amount of such loss  
16 over the sum of the deductions for carryback or  
17 carryover of such loss allowable for each of the prior  
18 taxable years to which such loss may be carried.

19 (b) Any loss determined under subsection (a) of this  
20 Section must be carried back or carried forward in the same  
21 manner for purposes of subsections (a) and (b) of Section 201  
22 of this Act as for purposes of subsections (c) and (d) of  
23 Section 201 of this Act.

24 (c) Notwithstanding any other provision of this Act, for  
25 each taxable year ending on or after December 31, 2008, for  
26 purposes of computing the loss for the taxable year under

1 subsection (a) of this Section and the deduction taken into  
2 account for the taxable year for a net operating loss  
3 carryover under paragraphs (1), (2), and (3) of subsection (a)  
4 of this Section, the loss and net operating loss carryover  
5 shall be reduced in an amount equal to the reduction to the net  
6 operating loss and net operating loss carryover to the taxable  
7 year, respectively, required under Section 108(b)(2)(A) of the  
8 Internal Revenue Code, multiplied by a fraction, the numerator  
9 of which is the amount of discharge of indebtedness income  
10 that is excluded from gross income for the taxable year (but  
11 only if the taxable year ends on or after December 31, 2008)  
12 under Section 108(a) of the Internal Revenue Code and that  
13 would have been allocated and apportioned to this State under  
14 Article 3 of this Act but for that exclusion, and the  
15 denominator of which is the total amount of discharge of  
16 indebtedness income excluded from gross income under Section  
17 108(a) of the Internal Revenue Code for the taxable year. The  
18 reduction required under this subsection (c) shall be made  
19 after the determination of Illinois net income for the taxable  
20 year in which the indebtedness is discharged.

21 (d) In the case of a corporation (other than a Subchapter S  
22 corporation): ~~τ~~

23 (1) no carryover deduction shall be allowed under this  
24 Section for any taxable year ending after December 31,  
25 2010 and prior to December 31, 2012; ~~and~~

26 (2) no carryover deduction shall exceed \$100,000 for

1 any taxable year ending on or after December 31, 2012 and  
2 prior to December 31, 2014 and for any taxable year ending  
3 on or after December 31, 2021 and prior to December 31,  
4 2024; and

5 (3) no carryover deduction shall exceed \$500,000 for  
6 any taxable year ending on or after December 31, 2024 and  
7 prior to December 31, 2027.

8 For the ~~provided that, for~~ purposes of determining the  
9 taxable years to which a net loss may be carried under  
10 subsection (a) of this Section, no taxable year for which a  
11 deduction is disallowed under this subsection, or for which  
12 the deduction would exceed \$100,000 or \$500,000, as  
13 applicable, if not for this subsection, shall be counted.

14 (e) In the case of a residual interest holder in a real  
15 estate mortgage investment conduit subject to Section 860E of  
16 the Internal Revenue Code, the net loss in subsection (a)  
17 shall be equal to:

18 (1) the amount computed under subsection (a), without  
19 regard to this subsection (e), or if that amount is  
20 positive, zero;

21 (2) minus an amount equal to the amount computed under  
22 subsection (a), without regard to this subsection (e),  
23 minus the amount that would be computed under subsection  
24 (a) if the taxpayer's federal taxable income were computed  
25 without regard to Section 860E of the Internal Revenue  
26 Code and without regard to this subsection (e).



1 Department and reported on the same return, shall not exceed  
2 \$1,000 per month in the aggregate for returns other than  
3 transaction returns filed during the month. When determining  
4 the discount allowed under this Section, retailers shall  
5 include the amount of tax that would have been due at the 6.25%  
6 rate but for the 1.25% rate imposed on sales tax holiday items  
7 under Public Act 102-700. The discount under this Section is  
8 not allowed for the 1.25% portion of taxes paid on aviation  
9 fuel that is subject to the revenue use requirements of 49  
10 U.S.C. 47107(b) and 49 U.S.C. 47133. When determining the  
11 discount allowed under this Section, retailers shall include  
12 the amount of tax that would have been due at the 1% rate but  
13 for the 0% rate imposed under Public Act 102-700. In the case  
14 of retailers who report and pay the tax on a transaction by  
15 transaction basis, as provided in this Section, such discount  
16 shall be taken with each such tax remittance instead of when  
17 such retailer files his periodic return, but, beginning with  
18 returns due on or after January 1, 2025, the discount allowed  
19 under this Section and the Retailers' Occupation Tax Act,  
20 including any local tax administered by the Department and  
21 reported on the same transaction return, shall not exceed  
22 \$1,000 per month for all transaction returns filed during the  
23 month. The discount allowed under this Section is allowed only  
24 for returns that are filed in the manner required by this Act.  
25 The Department may disallow the discount for retailers whose  
26 certificate of registration is revoked at the time the return

1 is filed, but only if the Department's decision to revoke the  
2 certificate of registration has become final. A retailer need  
3 not remit that part of any tax collected by him to the extent  
4 that he is required to remit and does remit the tax imposed by  
5 the Retailers' Occupation Tax Act, with respect to the sale of  
6 the same property.

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

17 Except as provided in this Section, on or before the  
18 twentieth day of each calendar month, such retailer shall file  
19 a return for the preceding calendar month. Such return shall  
20 be filed on forms prescribed by the Department and shall  
21 furnish such information as the Department may reasonably  
22 require. The return shall include the gross receipts on food  
23 for human consumption that is to be consumed off the premises  
24 where it is sold (other than alcoholic beverages, food  
25 consisting of or infused with adult use cannabis, soft drinks,  
26 and food that has been prepared for immediate consumption)

1 which were received during the preceding calendar month,  
2 quarter, or year, as appropriate, and upon which tax would  
3 have been due but for the 0% rate imposed under Public Act  
4 102-700. The return shall also include the amount of tax that  
5 would have been due on food for human consumption that is to be  
6 consumed off the premises where it is sold (other than  
7 alcoholic beverages, food consisting of or infused with adult  
8 use cannabis, soft drinks, and food that has been prepared for  
9 immediate consumption) but for the 0% rate imposed under  
10 Public Act 102-700.

11 On and after January 1, 2018, except for returns required  
12 to be filed prior to January 1, 2023 for motor vehicles,  
13 watercraft, aircraft, and trailers that are required to be  
14 registered with an agency of this State, with respect to  
15 retailers whose annual gross receipts average \$20,000 or more,  
16 all returns required to be filed pursuant to this Act shall be  
17 filed electronically. On and after January 1, 2023, with  
18 respect to retailers whose annual gross receipts average  
19 \$20,000 or more, all returns required to be filed pursuant to  
20 this Act, including, but not limited to, returns for motor  
21 vehicles, watercraft, aircraft, and trailers that are required  
22 to be registered with an agency of this State, shall be filed  
23 electronically. Retailers who demonstrate that they do not  
24 have access to the Internet or demonstrate hardship in filing  
25 electronically may petition the Department to waive the  
26 electronic filing requirement.



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

8           1. The name of the seller;

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

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

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

19           5. The amount of tax due;

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

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

23           Each retailer required or authorized to collect the tax  
24 imposed by this Act on aviation fuel sold at retail in this  
25 State during the preceding calendar month shall, instead of  
26 reporting and paying tax on aviation fuel as otherwise

1 required by this Section, report and pay such tax on a separate  
2 aviation fuel tax return. The requirements related to the  
3 return shall be as otherwise provided in this Section.  
4 Notwithstanding any other provisions of this Act to the  
5 contrary, retailers collecting tax on aviation fuel shall file  
6 all aviation fuel tax returns and shall make all aviation fuel  
7 tax payments by electronic means in the manner and form  
8 required by the Department. For purposes of this Section,  
9 "aviation fuel" means jet fuel and aviation gasoline.

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

14 Notwithstanding any other provision of this Act to the  
15 contrary, retailers subject to tax on cannabis shall file all  
16 cannabis tax returns and shall make all cannabis tax payments  
17 by electronic means in the manner and form required by the  
18 Department.

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

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

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

26 All taxpayers required to make payment by electronic funds

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

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

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

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

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

1 taxpayer's average monthly liability to the Department as  
2 computed for each calendar quarter of the 4 preceding complete  
3 calendar quarter period is less than \$20,000. However, if a  
4 taxpayer can show the Department that a substantial change in  
5 the taxpayer's business has occurred which causes the taxpayer  
6 to anticipate that his average monthly tax liability for the  
7 reasonably foreseeable future will fall below the \$20,000  
8 threshold stated above, then such taxpayer may petition the  
9 Department for a change in such taxpayer's reporting status.  
10 The Department shall change such taxpayer's reporting status  
11 unless it finds that such change is seasonal in nature and not  
12 likely to be long term. Quarter monthly payment status shall  
13 be determined under this paragraph as if the rate reduction to  
14 1.25% in Public Act 102-700 on sales tax holiday items had not  
15 occurred. For quarter monthly payments due on or after July 1,  
16 2023 and through June 30, 2024, "25% of the taxpayer's  
17 liability for the same calendar month of the preceding year"  
18 shall be determined as if the rate reduction to 1.25% in Public  
19 Act 102-700 on sales tax holiday items had not occurred.  
20 Quarter monthly payment status shall be determined under this  
21 paragraph as if the rate reduction to 0% in Public Act 102-700  
22 on food for human consumption that is to be consumed off the  
23 premises where it is sold (other than alcoholic beverages,  
24 food consisting of or infused with adult use cannabis, soft  
25 drinks, and food that has been prepared for immediate  
26 consumption) had not occurred. For quarter monthly payments

1 due under this paragraph on or after July 1, 2023 and through  
2 June 30, 2024, "25% of the taxpayer's liability for the same  
3 calendar month of the preceding year" shall be determined as  
4 if the rate reduction to 0% in Public Act 102-700 had not  
5 occurred. If any such quarter monthly payment is not paid at  
6 the time or in the amount required by this Section, then the  
7 taxpayer shall be liable for penalties and interest on the  
8 difference between the minimum amount due and the amount of  
9 such quarter monthly payment actually and timely paid, except  
10 insofar as the taxpayer has previously made payments for that  
11 month to the Department in excess of the minimum payments  
12 previously due as provided in this Section. The Department  
13 shall make reasonable rules and regulations to govern the  
14 quarter monthly payment amount and quarter monthly payment  
15 dates for taxpayers who file on other than a calendar monthly  
16 basis.

17 If any such payment provided for in this Section exceeds  
18 the taxpayer's liabilities under this Act, the Retailers'  
19 Occupation Tax Act, the Service Occupation Tax Act and the  
20 Service Use Tax Act, as shown by an original monthly return,  
21 the Department shall issue to the taxpayer a credit memorandum  
22 no later than 30 days after the date of payment, which  
23 memorandum may be submitted by the taxpayer to the Department  
24 in payment of tax liability subsequently to be remitted by the  
25 taxpayer to the Department or be assigned by the taxpayer to a  
26 similar taxpayer under this Act, the Retailers' Occupation Tax



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

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

1 given year being due by October 20 of such year, and with the  
2 return for October, November and December of a given year  
3 being due by January 20 of the following year.

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

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

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

20 In addition, with respect to motor vehicles, watercraft,  
21 aircraft, and trailers that are required to be registered with  
22 an agency of this State, except as otherwise provided in this  
23 Section, every retailer selling this kind of tangible personal  
24 property shall file, with the Department, upon a form to be  
25 prescribed and supplied by the Department, a separate return  
26 for each such item of tangible personal property which the

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

17 In addition, with respect to motor vehicles, watercraft,  
18 aircraft, and trailers that are required to be registered with  
19 an agency of this State, every person who is engaged in the  
20 business of leasing or renting such items and who, in  
21 connection with such business, sells any such item to a  
22 retailer for the purpose of resale is, notwithstanding any  
23 other provision of this Section to the contrary, authorized to  
24 meet the return-filing requirement of this Act by reporting  
25 the transfer of all the aircraft, watercraft, motor vehicles,  
26 or trailers transferred for resale during a month to the

1 Department on the same uniform invoice-transaction reporting  
2 return form on or before the 20th of the month following the  
3 month in which the transfer takes place. Notwithstanding any  
4 other provision of this Act to the contrary, all returns filed  
5 under this paragraph must be filed by electronic means in the  
6 manner and form as required by the Department.

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

1 Department may reasonably require.

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

19 Such transaction reporting return shall be filed not later  
20 than 20 days after the date of delivery of the item that is  
21 being sold, but may be filed by the retailer at any time sooner  
22 than that if he chooses to do so. The transaction reporting  
23 return and tax remittance or proof of exemption from the tax  
24 that is imposed by this Act may be transmitted to the  
25 Department by way of the State agency with which, or State  
26 officer with whom, the tangible personal property must be

1 titled or registered (if titling or registration is required)  
2 if the Department and such agency or State officer determine  
3 that this procedure will expedite the processing of  
4 applications for title or registration.

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

18 No retailer's failure or refusal to remit tax under this  
19 Act precludes a user, who has paid the proper tax to the  
20 retailer, from obtaining his certificate of title or other  
21 evidence of title or registration (if titling or registration  
22 is required) upon satisfying the Department that such user has  
23 paid the proper tax (if tax is due) to the retailer. The  
24 Department shall adopt appropriate rules to carry out the  
25 mandate of this paragraph.

26 If the user who would otherwise pay tax to the retailer

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

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

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

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

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

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



1 shall file separate returns for each such registered business.

2 Beginning January 1, 1990, each month the Department shall  
3 pay into the State and Local Sales Tax Reform Fund, a special  
4 fund in the State Treasury which is hereby created, the net  
5 revenue realized for the preceding month from the 1% tax  
6 imposed under this Act.

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

14 Beginning January 1, 1990, each month the Department shall  
15 pay into the State and Local Sales Tax Reform Fund, a special  
16 fund in the State Treasury, 20% of the net revenue realized for  
17 the preceding month from the 6.25% general rate on the selling  
18 price of tangible personal property, other than (i) tangible  
19 personal property which is purchased outside Illinois at  
20 retail from a retailer and which is titled or registered by an  
21 agency of this State's government and (ii) aviation fuel sold  
22 on or after December 1, 2019. This exception for aviation fuel  
23 only applies for so long as the revenue use requirements of 49  
24 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

25 For aviation fuel sold on or after December 1, 2019, each  
26 month the Department shall pay into the State Aviation Program

1 Fund 20% of the net revenue realized for the preceding month  
2 from the 6.25% general rate on the selling price of aviation  
3 fuel, less an amount estimated by the Department to be  
4 required for refunds of the 20% portion of the tax on aviation  
5 fuel under this Act, which amount shall be deposited into the  
6 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
7 pay moneys into the State Aviation Program Fund and the  
8 Aviation Fuels Sales Tax Refund Fund under this Act for so long  
9 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
10 U.S.C. 47133 are binding on the State.

11 Beginning August 1, 2000, each month the Department shall  
12 pay into the State and Local Sales Tax Reform Fund 100% of the  
13 net revenue realized for the preceding month from the 1.25%  
14 rate on the selling price of motor fuel and gasohol. If, in any  
15 month, the tax on sales tax holiday items, as defined in  
16 Section 3-6, is imposed at the rate of 1.25%, then the  
17 Department shall pay 100% of the net revenue realized for that  
18 month from the 1.25% rate on the selling price of sales tax  
19 holiday items into the State and Local Sales Tax Reform Fund.

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

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

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

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

1 in any State fiscal year. As used in this paragraph, the  
2 "average monthly deficit" shall be equal to the difference  
3 between the average monthly claims for payment by the fund and  
4 the average monthly revenues deposited into the fund,  
5 excluding payments made pursuant to this paragraph.

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

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

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

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

25 Subject to payment of amounts into the Build Illinois Fund  
26 as provided in the preceding paragraph or in any amendment

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

11	Fiscal Year	Total Deposit
12	1993	\$0
13	1994	53,000,000
14	1995	58,000,000
15	1996	61,000,000
16	1997	64,000,000
17	1998	68,000,000
18	1999	71,000,000
19	2000	75,000,000
20	2001	80,000,000
21	2002	93,000,000
22	2003	99,000,000
23	2004	103,000,000
24	2005	108,000,000
25	2006	113,000,000
26	2007	119,000,000

1	2008	126,000,000
2	2009	132,000,000
3	2010	139,000,000
4	2011	146,000,000
5	2012	153,000,000
6	2013	161,000,000
7	2014	170,000,000
8	2015	179,000,000
9	2016	189,000,000
10	2017	199,000,000
11	2018	210,000,000
12	2019	221,000,000
13	2020	233,000,000
14	2021	300,000,000
15	2022	300,000,000
16	2023	300,000,000
17	2024	300,000,000
18	2025	300,000,000
19	2026	300,000,000
20	2027	375,000,000
21	2028	375,000,000
22	2029	375,000,000
23	2030	375,000,000
24	2031	375,000,000
25	2032	375,000,000
26	2033	375,000,000



1	2034	375,000,000
2	2035	375,000,000
3	2036	450,000,000

4 and

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2060.

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

25 Subject to payment of amounts into the Capital Projects  
26 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,

1 and the McCormick Place Expansion Project Fund pursuant to the  
2 preceding paragraphs or in any amendments thereto hereafter  
3 enacted, for aviation fuel sold on or after December 1, 2019,  
4 the Department shall each month deposit into the Aviation Fuel  
5 Sales Tax Refund Fund an amount estimated by the Department to  
6 be required for refunds of the 80% portion of the tax on  
7 aviation fuel under this Act. The Department shall only  
8 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
9 under this paragraph for so long as the revenue use  
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
11 binding on the State.

12 Subject to payment of amounts into the Build Illinois Fund  
13 and the McCormick Place Expansion Project Fund pursuant to the  
14 preceding paragraphs or in any amendments thereto hereafter  
15 enacted, beginning July 1, 1993 and ending on September 30,  
16 2013, the Department shall each month pay into the Illinois  
17 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
18 the preceding month from the 6.25% general rate on the selling  
19 price of tangible personal property.

20 Subject to payment of amounts into the Build Illinois  
21 Fund, the McCormick Place Expansion Project Fund, the Illinois  
22 Tax Increment Fund, and the Energy Infrastructure Fund  
23 pursuant to the preceding paragraphs or in any amendments to  
24 this Section hereafter enacted, beginning on the first day of  
25 the first calendar month to occur on or after August 26, 2014  
26 (the effective date of Public Act 98-1098), each month, from

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

13 Subject to payments of amounts into the Build Illinois  
14 Fund, the McCormick Place Expansion Project Fund, the Illinois  
15 Tax Increment Fund, and the Tax Compliance and Administration  
16 Fund as provided in this Section, beginning on July 1, 2018 the  
17 Department shall pay each month into the Downstate Public  
18 Transportation Fund the moneys required to be so paid under  
19 Section 2-3 of the Downstate Public Transportation Act.

20 Subject to successful execution and delivery of a  
21 public-private agreement between the public agency and private  
22 entity and completion of the civic build, beginning on July 1,  
23 2023, of the remainder of the moneys received by the  
24 Department under the Use Tax Act, the Service Use Tax Act, the  
25 Service Occupation Tax Act, and this Act, the Department shall  
26 deposit the following specified deposits in the aggregate from

1 collections under the Use Tax Act, the Service Use Tax Act, the  
 2 Service Occupation Tax Act, and the Retailers' Occupation Tax  
 3 Act, as required under Section 8.25g of the State Finance Act  
 4 for distribution consistent with the Public-Private  
 5 Partnership for Civic and Transit Infrastructure Project Act.  
 6 The moneys received by the Department pursuant to this Act and  
 7 required to be deposited into the Civic and Transit  
 8 Infrastructure Fund are subject to the pledge, claim, and  
 9 charge set forth in Section 25-55 of the Public-Private  
 10 Partnership for Civic and Transit Infrastructure Project Act.  
 11 As used in this paragraph, "civic build", "private entity",  
 12 "public-private agreement", and "public agency" have the  
 13 meanings provided in Section 25-10 of the Public-Private  
 14 Partnership for Civic and Transit Infrastructure Project Act.

15	Fiscal Year.....	Total Deposit
16	2024 .....	\$200,000,000
17	2025 .....	\$206,000,000
18	2026 .....	\$212,200,000
19	2027 .....	\$218,500,000
20	2028 .....	\$225,100,000
21	2029 .....	\$288,700,000
22	2030 .....	\$298,900,000
23	2031 .....	\$309,300,000
24	2032 .....	\$320,100,000
25	2033 .....	\$331,200,000
26	2034 .....	\$341,200,000

1	2035	.....	\$351,400,000
2	2036	.....	\$361,900,000
3	2037	.....	\$372,800,000
4	2038	.....	\$384,000,000
5	2039	.....	\$395,500,000
6	2040	.....	\$407,400,000
7	2041	.....	\$419,600,000
8	2042	.....	\$432,200,000
9	2043	.....	\$445,100,000

10           Beginning July 1, 2021 and until July 1, 2022, subject to  
11 the payment of amounts into the State and Local Sales Tax  
12 Reform Fund, the Build Illinois Fund, the McCormick Place  
13 Expansion Project Fund, the Illinois Tax Increment Fund, and  
14 the Tax Compliance and Administration Fund as provided in this  
15 Section, the Department shall pay each month into the Road  
16 Fund the amount estimated to represent 16% of the net revenue  
17 realized from the taxes imposed on motor fuel and gasohol.  
18 Beginning July 1, 2022 and until July 1, 2023, subject to the  
19 payment of amounts into the State and Local Sales Tax Reform  
20 Fund, the Build Illinois Fund, the McCormick Place Expansion  
21 Project Fund, the Illinois Tax Increment Fund, and the Tax  
22 Compliance and Administration Fund as provided in this  
23 Section, the Department shall pay each month into the Road  
24 Fund the amount estimated to represent 32% of the net revenue  
25 realized from the taxes imposed on motor fuel and gasohol.  
26 Beginning July 1, 2023 and until July 1, 2024, subject to the

1 payment of amounts into the State and Local Sales Tax Reform  
2 Fund, the Build Illinois Fund, the McCormick Place Expansion  
3 Project Fund, the Illinois Tax Increment Fund, and the Tax  
4 Compliance and Administration Fund as provided in this  
5 Section, the Department shall pay each month into the Road  
6 Fund the amount estimated to represent 48% of the net revenue  
7 realized from the taxes imposed on motor fuel and gasohol.  
8 Beginning July 1, 2024 and until July 1, 2025, subject to the  
9 payment of amounts into the State and Local Sales Tax Reform  
10 Fund, the Build Illinois Fund, the McCormick Place Expansion  
11 Project Fund, the Illinois Tax Increment Fund, and the Tax  
12 Compliance and Administration Fund as provided in this  
13 Section, the Department shall pay each month into the Road  
14 Fund the amount estimated to represent 64% of the net revenue  
15 realized from the taxes imposed on motor fuel and gasohol.  
16 Beginning on July 1, 2025, subject to the payment of amounts  
17 into the State and Local Sales Tax Reform Fund, the Build  
18 Illinois Fund, the McCormick Place Expansion Project Fund, the  
19 Illinois Tax Increment Fund, and the Tax Compliance and  
20 Administration Fund as provided in this Section, the  
21 Department shall pay each month into the Road Fund the amount  
22 estimated to represent 80% of the net revenue realized from  
23 the taxes imposed on motor fuel and gasohol. As used in this  
24 paragraph "motor fuel" has the meaning given to that term in  
25 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the  
26 meaning given to that term in Section 3-40 of this Act.

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

7           As soon as possible after the first day of each month, upon  
8 certification of the Department of Revenue, the Comptroller  
9 shall order transferred and the Treasurer shall transfer from  
10 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
11 equal to 1.7% of 80% of the net revenue realized under this Act  
12 for the second preceding month. Beginning April 1, 2000, this  
13 transfer is no longer required 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, manufacturers,  
19 importers and wholesalers whose products are sold at retail in  
20 Illinois by numerous retailers, and who wish to do so, may  
21 assume the responsibility for accounting and paying to the  
22 Department all tax accruing under this Act with respect to  
23 such sales, if the retailers who are affected do not make  
24 written objection to the Department to this arrangement.

25           (Source: P.A. 102-700, Article 60, Section 60-15, eff.  
26 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;

1 102-1019, eff. 1-1-23; 103-154, eff. 6-30-23; 103-363, eff.  
2 7-28-23.)

3 Section 110-10. The Service Use Tax Act is amended by  
4 changing Section 9 as follows:

5 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

6 Sec. 9. Each serviceman required or authorized to collect  
7 the tax herein imposed shall pay to the Department the amount  
8 of such tax (except as otherwise provided) at the time when he  
9 is required to file his return for the period during which such  
10 tax was collected, less a discount of 2.1% prior to January 1,  
11 1990 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 serviceman for expenses incurred in collecting the tax,  
14 keeping records, preparing and filing returns, remitting the  
15 tax and supplying data to the Department on request. Beginning  
16 with returns due on or after January 1, 2025, the vendor's  
17 discount allowed in this Section, the Retailers' Occupation  
18 Tax Act, the Service Occupation Tax Act, and the Use Tax Act,  
19 including any local tax administered by the Department and  
20 reported on the same return, shall not exceed \$1,000 per month  
21 in the aggregate. When determining the discount allowed under  
22 this Section, servicemen shall include the amount of tax that  
23 would have been due at the 1% rate but for the 0% rate imposed  
24 under this amendatory Act of the 102nd General Assembly. The



1 discount under this Section is not allowed for the 1.25%  
2 portion of taxes paid on aviation fuel that is subject to the  
3 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
4 47133. The discount allowed under this Section is allowed only  
5 for returns that are filed in the manner required by this Act.  
6 The Department may disallow the discount for servicemen whose  
7 certificate of registration is revoked at the time the return  
8 is filed, but only if the Department's decision to revoke the  
9 certificate of registration has become final. A serviceman  
10 need not remit that part of any tax collected by him to the  
11 extent that he is required to pay and does pay the tax imposed  
12 by the Service Occupation Tax Act with respect to his sale of  
13 service involving the incidental transfer by him of the same  
14 property.

15 Except as provided hereinafter in this Section, on or  
16 before the twentieth day of each calendar month, such  
17 serviceman shall file a return for the preceding calendar  
18 month in accordance with reasonable Rules and Regulations to  
19 be promulgated by the Department. Such return shall be filed  
20 on a form prescribed by the Department and shall contain such  
21 information as the Department may reasonably require. The  
22 return shall include the gross receipts which were received  
23 during the preceding calendar month or quarter on the  
24 following items upon which tax would have been due but for the  
25 0% rate imposed under this amendatory Act of the 102nd General  
26 Assembly: (i) food for human consumption that is to be

1 consumed off the premises where it is sold (other than  
2 alcoholic beverages, food consisting of or infused with adult  
3 use cannabis, soft drinks, and food that has been prepared for  
4 immediate consumption); and (ii) food prepared for immediate  
5 consumption and transferred incident to a sale of service  
6 subject to this Act or the Service Occupation Tax Act by an  
7 entity licensed under the Hospital Licensing Act, the Nursing  
8 Home Care Act, the Assisted Living and Shared Housing Act, the  
9 ID/DD Community Care Act, the MC/DD Act, the Specialized  
10 Mental Health Rehabilitation Act of 2013, or the Child Care  
11 Act of 1969, or an entity that holds a permit issued pursuant  
12 to the Life Care Facilities Act. The return shall also include  
13 the amount of tax that would have been due on the items listed  
14 in the previous sentence but for the 0% rate imposed under this  
15 amendatory Act of the 102nd General Assembly.

16 On and after January 1, 2018, with respect to servicemen  
17 whose annual gross receipts average \$20,000 or more, all  
18 returns required to be filed pursuant to this Act shall be  
19 filed electronically. Servicemen who demonstrate that they do  
20 not have access to the Internet or demonstrate hardship in  
21 filing electronically may petition the Department to waive the  
22 electronic filing requirement.

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

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

4 1. The name of the seller;

5 2. The address of the principal place of business from  
6 which he engages in business as a serviceman in this  
7 State;

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

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

14 5. The amount of tax due;

15 5-5. The signature of the taxpayer; and

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

18 Each serviceman required or authorized to collect the tax  
19 imposed by this Act on aviation fuel transferred as an  
20 incident of a sale of service in this State during the  
21 preceding calendar month shall, instead of reporting and  
22 paying tax on aviation fuel as otherwise required by this  
23 Section, report and pay such tax on a separate aviation fuel  
24 tax return. The requirements related to the return shall be as  
25 otherwise provided in this Section. Notwithstanding any other  
26 provisions of this Act to the contrary, servicemen collecting

1 tax on aviation fuel shall file all aviation fuel tax returns  
2 and shall make all aviation fuel tax payments by electronic  
3 means in the manner and form required by the Department. For  
4 purposes of this Section, "aviation fuel" means jet fuel and  
5 aviation gasoline.

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

10 Notwithstanding any other provision of this Act to the  
11 contrary, servicemen subject to tax on cannabis shall file all  
12 cannabis tax returns and shall make all cannabis tax payments  
13 by electronic means in the manner and form required by the  
14 Department.

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

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

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

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

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

26 The Department shall adopt such rules as are necessary to

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

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

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

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

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

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

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

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

26 If experience indicates such action to be practicable, the

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

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

11 Beginning January 1, 1990, each month the Department shall  
12 pay into the State and Local Tax Reform Fund, a special fund in  
13 the State Treasury, the net revenue realized for the preceding  
14 month from the 1% tax imposed under this Act.

15 Beginning January 1, 1990, each month the Department shall  
16 pay into the State and Local Sales Tax Reform Fund 20% of the  
17 net revenue realized for the preceding month from the 6.25%  
18 general rate on transfers of tangible personal property, other  
19 than (i) tangible personal property which is purchased outside  
20 Illinois at retail from a retailer and which is titled or  
21 registered by an agency of this State's government and (ii)  
22 aviation fuel sold on or after December 1, 2019. This  
23 exception for aviation fuel only applies for so long as the  
24 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
25 47133 are binding on the State.

26 For aviation fuel sold on or after December 1, 2019, each



1 month the Department shall pay into the State Aviation Program  
2 Fund 20% of the net revenue realized for the preceding month  
3 from the 6.25% general rate on the selling price of aviation  
4 fuel, less an amount estimated by the Department to be  
5 required for refunds of the 20% portion of the tax on aviation  
6 fuel under this Act, which amount shall be deposited into the  
7 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
8 pay moneys into the State Aviation Program Fund and the  
9 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
10 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
11 U.S.C. 47133 are binding on the State.

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

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

23 Beginning July 1, 2013, each month the Department shall  
24 pay into the Underground Storage Tank Fund from the proceeds  
25 collected under this Act, the Use Tax Act, the Service  
26 Occupation Tax Act, and the Retailers' Occupation Tax Act an

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

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

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

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

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

1 Department pursuant to this Act and required to be deposited  
2 into the Build Illinois Fund are subject to the pledge, claim  
3 and charge set forth in Section 12 of the Build Illinois Bond  
4 Act.

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

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

1	2001	80,000,000
2	2002	93,000,000
3	2003	99,000,000
4	2004	103,000,000
5	2005	108,000,000
6	2006	113,000,000
7	2007	119,000,000
8	2008	126,000,000
9	2009	132,000,000
10	2010	139,000,000
11	2011	146,000,000
12	2012	153,000,000
13	2013	161,000,000
14	2014	170,000,000
15	2015	179,000,000
16	2016	189,000,000
17	2017	199,000,000
18	2018	210,000,000
19	2019	221,000,000
20	2020	233,000,000
21	2021	300,000,000
22	2022	300,000,000
23	2023	300,000,000
24	2024	300,000,000
25	2025	300,000,000
26	2026	300,000,000

1	2027	375,000,000
2	2028	375,000,000
3	2029	375,000,000
4	2030	375,000,000
5	2031	375,000,000
6	2032	375,000,000
7	2033	375,000,000
8	2034	375,000,000
9	2035	375,000,000
10	2036	450,000,000

11                   and  
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 Act,  
18                   but not after fiscal year 2060.

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

1 required under this Section for previous months and years,  
2 shall be deposited into the McCormick Place Expansion Project  
3 Fund, until the full amount requested for the fiscal year, but  
4 not in excess of the amount specified above as "Total  
5 Deposit", has been deposited.

6 Subject to payment of amounts into the Capital Projects  
7 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
8 and the McCormick Place Expansion Project Fund pursuant to the  
9 preceding paragraphs or in any amendments thereto hereafter  
10 enacted, for aviation fuel sold on or after December 1, 2019,  
11 the Department shall each month deposit into the Aviation Fuel  
12 Sales Tax Refund Fund an amount estimated by the Department to  
13 be required for refunds of the 80% portion of the tax on  
14 aviation fuel under this Act. The Department shall only  
15 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
16 under this paragraph for so long as the revenue use  
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
18 binding on the State.

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



1           Subject to payment of amounts into the Build Illinois  
2 Fund, the McCormick Place Expansion Project Fund, the Illinois  
3 Tax Increment Fund, pursuant to the preceding paragraphs or in  
4 any amendments to this Section hereafter enacted, beginning on  
5 the first day of the first calendar month to occur on or after  
6 August 26, 2014 (the effective date of Public Act 98-1098),  
7 each month, from the collections made under Section 9 of the  
8 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of  
9 the Service Occupation Tax Act, and Section 3 of the  
10 Retailers' Occupation Tax Act, the Department shall pay into  
11 the Tax Compliance and Administration Fund, to be used,  
12 subject to appropriation, to fund additional auditors and  
13 compliance personnel at the Department of Revenue, an amount  
14 equal to 1/12 of 5% of 80% of the cash receipts collected  
15 during the preceding fiscal year by the Audit Bureau of the  
16 Department under the Use Tax Act, the Service Use Tax Act, the  
17 Service Occupation Tax Act, the Retailers' Occupation Tax Act,  
18 and associated local occupation and use taxes administered by  
19 the Department.

20           Subject to payments of amounts into the Build Illinois  
21 Fund, the McCormick Place Expansion Project Fund, the Illinois  
22 Tax Increment Fund, and the Tax Compliance and Administration  
23 Fund as provided in this Section, beginning on July 1, 2018 the  
24 Department shall pay each month into the Downstate Public  
25 Transportation Fund the moneys required to be so paid under  
26 Section 2-3 of the Downstate Public Transportation Act.

1 Subject to successful execution and delivery of a  
 2 public-private agreement between the public agency and private  
 3 entity and completion of the civic build, beginning on July 1,  
 4 2023, of the remainder of the moneys received by the  
 5 Department under the Use Tax Act, the Service Use Tax Act, the  
 6 Service Occupation Tax Act, and this Act, the Department shall  
 7 deposit the following specified deposits in the aggregate from  
 8 collections under the Use Tax Act, the Service Use Tax Act, the  
 9 Service Occupation Tax Act, and the Retailers' Occupation Tax  
 10 Act, as required under Section 8.25g of the State Finance Act  
 11 for distribution consistent with the Public-Private  
 12 Partnership for Civic and Transit Infrastructure Project Act.  
 13 The moneys received by the Department pursuant to this Act and  
 14 required to be deposited into the Civic and Transit  
 15 Infrastructure Fund are subject to the pledge, claim, and  
 16 charge set forth in Section 25-55 of the Public-Private  
 17 Partnership for Civic and Transit Infrastructure Project Act.  
 18 As used in this paragraph, "civic build", "private entity",  
 19 "public-private agreement", and "public agency" have the  
 20 meanings provided in Section 25-10 of the Public-Private  
 21 Partnership for Civic and Transit Infrastructure Project Act.

22	Fiscal Year.....	Total Deposit
23	2024 .....	\$200,000,000
24	2025 .....	\$206,000,000
25	2026 .....	\$212,200,000
26	2027 .....	\$218,500,000

1	2028	.....	\$225,100,000
2	2029	.....	\$288,700,000
3	2030	.....	\$298,900,000
4	2031	.....	\$309,300,000
5	2032	.....	\$320,100,000
6	2033	.....	\$331,200,000
7	2034	.....	\$341,200,000
8	2035	.....	\$351,400,000
9	2036	.....	\$361,900,000
10	2037	.....	\$372,800,000
11	2038	.....	\$384,000,000
12	2039	.....	\$395,500,000
13	2040	.....	\$407,400,000
14	2041	.....	\$419,600,000
15	2042	.....	\$432,200,000
16	2043	.....	\$445,100,000

17           Beginning July 1, 2021 and until July 1, 2022, subject to  
18 the payment of amounts into the State and Local Sales Tax  
19 Reform Fund, the Build Illinois Fund, the McCormick Place  
20 Expansion Project Fund, the Energy Infrastructure Fund, and  
21 the Tax Compliance and Administration Fund as provided in this  
22 Section, the Department shall pay each month into the Road  
23 Fund the amount estimated to represent 16% of the net revenue  
24 realized from the taxes imposed on motor fuel and gasohol.  
25 Beginning July 1, 2022 and until July 1, 2023, subject to the  
26 payment of amounts into the State and Local Sales Tax Reform

1 Fund, the Build Illinois Fund, the McCormick Place Expansion  
2 Project Fund, the Illinois Tax Increment Fund, and the Tax  
3 Compliance and Administration Fund as provided in this  
4 Section, the Department shall pay each month into the Road  
5 Fund the amount estimated to represent 32% of the net revenue  
6 realized from the taxes imposed on motor fuel and gasohol.  
7 Beginning July 1, 2023 and until July 1, 2024, subject to the  
8 payment of amounts into the State and Local Sales Tax Reform  
9 Fund, the Build Illinois Fund, the McCormick Place Expansion  
10 Project Fund, the Illinois Tax Increment Fund, and the Tax  
11 Compliance and Administration Fund as provided in this  
12 Section, the Department shall pay each month into the Road  
13 Fund the amount estimated to represent 48% of the net revenue  
14 realized from the taxes imposed on motor fuel and gasohol.  
15 Beginning July 1, 2024 and until July 1, 2025, subject to the  
16 payment of amounts into the State and Local Sales Tax Reform  
17 Fund, the Build Illinois Fund, the McCormick Place Expansion  
18 Project Fund, the Illinois Tax Increment Fund, and the Tax  
19 Compliance and Administration Fund as provided in this  
20 Section, the Department shall pay each month into the Road  
21 Fund the amount estimated to represent 64% of the net revenue  
22 realized from the taxes imposed on motor fuel and gasohol.  
23 Beginning on July 1, 2025, subject to the payment of amounts  
24 into the State and Local Sales Tax Reform Fund, the Build  
25 Illinois Fund, the McCormick Place Expansion Project Fund, the  
26 Illinois Tax Increment Fund, and the Tax Compliance and

1 Administration Fund as provided in this Section, the  
2 Department shall pay each month into the Road Fund the amount  
3 estimated to represent 80% of the net revenue realized from  
4 the taxes imposed on motor fuel and gasohol. As used in this  
5 paragraph "motor fuel" has the meaning given to that term in  
6 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the  
7 meaning given to that term in Section 3-40 of the Use Tax Act.

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

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

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

26 (Source: P.A. 102-700, eff. 4-19-22; 103-363, eff. 7-28-23.)

1 Section 110-15. The Service Occupation Tax Act is amended  
2 by changing Section 9 as follows:

3 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

4 Sec. 9. Each serviceman required or authorized to collect  
5 the tax herein imposed shall pay to the Department the amount  
6 of such tax at the time when he is required to file his return  
7 for the period during which such tax was collectible, less a  
8 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
9 after January 1, 1990, or \$5 per calendar year, whichever is  
10 greater, which is allowed to reimburse the serviceman for  
11 expenses incurred in collecting the tax, keeping records,  
12 preparing and filing returns, remitting the tax, and supplying  
13 data to the Department on request. Beginning with returns due  
14 on or after January 1, 2025, the vendor's discount allowed in  
15 this Section, the Retailers' Occupation Tax Act, the Use Tax  
16 Act, and the Service Use Tax Act, including any local tax  
17 administered by the Department and reported on the same  
18 return, shall not exceed \$1,000 per month in the aggregate.  
19 When determining the discount allowed under this Section,  
20 servicemen shall include the amount of tax that would have  
21 been due at the 1% rate but for the 0% rate imposed under  
22 Public Act 102-700 ~~this amendatory Act of the 102nd General~~  
23 ~~Assembly~~. The discount under this Section is not allowed for  
24 the 1.25% portion of taxes paid on aviation fuel that is

1 subject to the revenue use requirements of 49 U.S.C. 47107(b)  
2 and 49 U.S.C. 47133. The discount allowed under this Section  
3 is allowed only for returns that are filed in the manner  
4 required by this Act. The Department may disallow the discount  
5 for servicemen whose certificate of registration is revoked at  
6 the time the return is filed, but only if the Department's  
7 decision to revoke the certificate of registration has become  
8 final.

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

17 Except as provided hereinafter in this Section, on or  
18 before the twentieth day of each calendar month, such  
19 serviceman shall file a return for the preceding calendar  
20 month in accordance with reasonable rules and regulations to  
21 be promulgated by the Department of Revenue. Such return shall  
22 be filed on a form prescribed by the Department and shall  
23 contain such information as the Department may reasonably  
24 require. The return shall include the gross receipts which  
25 were received during the preceding calendar month or quarter  
26 on the following items upon which tax would have been due but

1 for the 0% rate imposed under Public Act 102-700 ~~this~~  
2 ~~amendatory Act of the 102nd General Assembly~~: (i) food for  
3 human consumption that is to be consumed off the premises  
4 where it is sold (other than alcoholic beverages, food  
5 consisting of or infused with adult use cannabis, soft drinks,  
6 and food that has been prepared for immediate consumption);  
7 and (ii) food prepared for immediate consumption and  
8 transferred incident to a sale of service subject to this Act  
9 or the Service Use Tax Act by an entity licensed under the  
10 Hospital Licensing Act, the Nursing Home Care Act, the  
11 Assisted Living and Shared Housing Act, the ID/DD Community  
12 Care Act, the MC/DD Act, the Specialized Mental Health  
13 Rehabilitation Act of 2013, or the Child Care Act of 1969, or  
14 an entity that holds a permit issued pursuant to the Life Care  
15 Facilities Act. The return shall also include the amount of  
16 tax that would have been due on the items listed in the  
17 previous sentence but for the 0% rate imposed under Public Act  
18 102-700 ~~this amendatory Act of the 102nd General Assembly~~.

19 On and after January 1, 2018, with respect to servicemen  
20 whose annual gross receipts average \$20,000 or more, all  
21 returns required to be filed pursuant to this Act shall be  
22 filed electronically. Servicemen who demonstrate that they do  
23 not have access to the Internet or demonstrate hardship in  
24 filing electronically may petition the Department to waive the  
25 electronic filing requirement.

26 The Department may require returns to be filed on a



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

7 1. The name of the seller;

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

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

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

17 5. The amount of tax due;

18 5-5. The signature of the taxpayer; and

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

21 Each serviceman required or authorized to collect the tax  
22 herein imposed on aviation fuel acquired as an incident to the  
23 purchase of a service in this State during the preceding  
24 calendar month shall, instead of reporting and paying tax as  
25 otherwise required by this Section, report and pay such tax on  
26 a separate aviation fuel tax return. The requirements related

1 to the return shall be as otherwise provided in this Section.  
2 Notwithstanding any other provisions of this Act to the  
3 contrary, servicemen transferring aviation fuel incident to  
4 sales of service shall file all aviation fuel tax returns and  
5 shall make all aviation fuel tax payments by electronic means  
6 in the manner and form required by the Department. For  
7 purposes of this Section, "aviation fuel" means jet fuel and  
8 aviation gasoline.

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

13 Notwithstanding any other provision of this Act to the  
14 contrary, servicemen subject to tax on cannabis shall file all  
15 cannabis tax returns and shall make all cannabis tax payments  
16 by electronic means in the manner and form required by the  
17 Department.

18 Prior to October 1, 2003, and on and after September 1,  
19 2004 a serviceman may accept a Manufacturer's Purchase Credit  
20 certification from a purchaser in satisfaction of Service Use  
21 Tax as provided in Section 3-70 of the Service Use Tax Act if  
22 the purchaser provides the appropriate documentation as  
23 required by Section 3-70 of the Service Use Tax Act. A  
24 Manufacturer's Purchase Credit certification, accepted prior  
25 to October 1, 2003 or on or after September 1, 2004 by a  
26 serviceman as provided in Section 3-70 of the Service Use Tax

1 Act, may be used by that serviceman to satisfy Service  
2 Occupation Tax liability in the amount claimed in the  
3 certification, not to exceed 6.25% of the receipts subject to  
4 tax from a qualifying purchase. A Manufacturer's Purchase  
5 Credit reported on any original or amended return filed under  
6 this Act after October 20, 2003 for reporting periods prior to  
7 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
8 Credit reported on annual returns due on or after January 1,  
9 2005 will be disallowed for periods prior to September 1,  
10 2004. No Manufacturer's Purchase Credit may be used after  
11 September 30, 2003 through August 31, 2004 to satisfy any tax  
12 liability imposed under this Act, including any audit  
13 liability.

14 Beginning on July 1, 2023 and through December 31, 2032, a  
15 serviceman may accept a Sustainable Aviation Fuel Purchase  
16 Credit certification from an air common carrier-purchaser in  
17 satisfaction of Service Use Tax as provided in Section 3-72 of  
18 the Service Use Tax Act if the purchaser provides the  
19 appropriate documentation as required by Section 3-72 of the  
20 Service Use Tax Act. A Sustainable Aviation Fuel Purchase  
21 Credit certification accepted by a serviceman in accordance  
22 with this paragraph may be used by that serviceman to satisfy  
23 service occupation tax liability (but not in satisfaction of  
24 penalty or interest) in the amount claimed in the  
25 certification, not to exceed 6.25% of the receipts subject to  
26 tax from a sale of aviation fuel. In addition, for a sale of

1 aviation fuel to qualify to earn the Sustainable Aviation Fuel  
2 Purchase Credit, servicemen must retain in their books and  
3 records a certification from the producer of the aviation fuel  
4 that the aviation fuel sold by the serviceman and for which a  
5 sustainable aviation fuel purchase credit was earned meets the  
6 definition of sustainable aviation fuel under Section 3-72 of  
7 the Service Use Tax Act. The documentation must include detail  
8 sufficient for the Department to determine the number of  
9 gallons of sustainable aviation fuel sold.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 Beginning January 1, 1990, each month the Department shall  
25 pay into the Local Government Tax Fund the revenue realized  
26 for the preceding month from the 1% tax imposed under this Act.

1           Beginning January 1, 1990, each month the Department shall  
2 pay into the County and Mass Transit District Fund 4% of the  
3 revenue realized for the preceding month from the 6.25%  
4 general rate on sales of tangible personal property other than  
5 aviation fuel sold on or after December 1, 2019. This  
6 exception for aviation fuel only applies for so long as the  
7 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
8 47133 are binding on the State.

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

13           Beginning January 1, 1990, each month the Department shall  
14 pay into the Local Government Tax Fund 16% of the revenue  
15 realized for the preceding month from the 6.25% general rate  
16 on transfers of tangible personal property other than aviation  
17 fuel sold on or after December 1, 2019. This exception for  
18 aviation fuel only applies for so long as the revenue use  
19 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
20 binding on the State.

21           For aviation fuel sold on or after December 1, 2019, each  
22 month the Department shall pay into the State Aviation Program  
23 Fund 20% of the net revenue realized for the preceding month  
24 from the 6.25% general rate on the selling price of aviation  
25 fuel, less an amount estimated by the Department to be  
26 required for refunds of the 20% portion of the tax on aviation



1 fuel under this Act, which amount shall be deposited into the  
2 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
3 pay moneys into the State Aviation Program Fund and the  
4 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
5 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
6 U.S.C. 47133 are binding on the State.

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

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

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

1 Occupation Tax Act shall not exceed \$18,000,000 in any State  
2 fiscal year. As used in this paragraph, the "average monthly  
3 deficit" shall be equal to the difference between the average  
4 monthly claims for payment by the fund and the average monthly  
5 revenues deposited into the fund, excluding payments made  
6 pursuant to this paragraph.

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

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

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

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

26 Subject to payment of amounts into the Build Illinois Fund

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

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

1	2006	113,000,000
2	2007	119,000,000
3	2008	126,000,000
4	2009	132,000,000
5	2010	139,000,000
6	2011	146,000,000
7	2012	153,000,000
8	2013	161,000,000
9	2014	170,000,000
10	2015	179,000,000
11	2016	189,000,000
12	2017	199,000,000
13	2018	210,000,000
14	2019	221,000,000
15	2020	233,000,000
16	2021	300,000,000
17	2022	300,000,000
18	2023	300,000,000
19	2024	300,000,000
20	2025	300,000,000
21	2026	300,000,000
22	2027	375,000,000
23	2028	375,000,000
24	2029	375,000,000
25	2030	375,000,000
26	2031	375,000,000

1	2032	375,000,000
2	2033	375,000,000
3	2034	375,000,000
4	2035	375,000,000
5	2036	450,000,000

6 and

7 each fiscal year

8 thereafter that bonds

9 are outstanding under

10 Section 13.2 of the

11 Metropolitan Pier and

12 Exposition Authority Act,

13 but not after fiscal year 2060.

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

1           Subject to payment of amounts into the Capital Projects  
2 Fund, the Build Illinois Fund, and the McCormick Place  
3 Expansion Project Fund pursuant to the preceding paragraphs or  
4 in any amendments thereto hereafter enacted, for aviation fuel  
5 sold on or after December 1, 2019, the Department shall each  
6 month deposit into the Aviation Fuel Sales Tax Refund Fund an  
7 amount estimated by the Department to be required for refunds  
8 of the 80% portion of the tax on aviation fuel under this Act.  
9 The Department shall only deposit moneys into the Aviation  
10 Fuel Sales Tax Refund Fund under this paragraph for so long as  
11 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
12 U.S.C. 47133 are binding on the State.

13           Subject to payment of amounts into the Build Illinois Fund  
14 and the McCormick Place Expansion Project Fund pursuant to the  
15 preceding paragraphs or in any amendments thereto hereafter  
16 enacted, beginning July 1, 1993 and ending on September 30,  
17 2013, the Department shall each month pay into the Illinois  
18 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
19 the preceding month from the 6.25% general rate on the selling  
20 price of tangible personal property.

21           Subject to payment of amounts into the Build Illinois  
22 Fund, the McCormick Place Expansion Project Fund, and the  
23 Illinois Tax Increment Fund pursuant to the preceding  
24 paragraphs or in any amendments to this Section hereafter  
25 enacted, beginning on the first day of the first calendar  
26 month to occur on or after August 26, 2014 (the effective date



1 of Public Act 98-1098), each month, from the collections made  
2 under Section 9 of the Use Tax Act, Section 9 of the Service  
3 Use Tax Act, Section 9 of the Service Occupation Tax Act, and  
4 Section 3 of the Retailers' Occupation Tax Act, the Department  
5 shall pay into the Tax Compliance and Administration Fund, to  
6 be used, subject to appropriation, to fund additional auditors  
7 and compliance personnel at the Department of Revenue, an  
8 amount equal to 1/12 of 5% of 80% of the cash receipts  
9 collected during the preceding fiscal year by the Audit Bureau  
10 of the Department under the Use Tax Act, the Service Use Tax  
11 Act, the Service Occupation Tax Act, the Retailers' Occupation  
12 Tax Act, and associated local occupation and use taxes  
13 administered by the Department.

14 Subject to payments of amounts into the Build Illinois  
15 Fund, the McCormick Place Expansion Project Fund, the Illinois  
16 Tax Increment Fund, and the Tax Compliance and Administration  
17 Fund as provided in this Section, beginning on July 1, 2018 the  
18 Department shall pay each month into the Downstate Public  
19 Transportation Fund the moneys required to be so paid under  
20 Section 2-3 of the Downstate Public Transportation Act.

21 Subject to successful execution and delivery of a  
22 public-private agreement between the public agency and private  
23 entity and completion of the civic build, beginning on July 1,  
24 2023, of the remainder of the moneys received by the  
25 Department under the Use Tax Act, the Service Use Tax Act, the  
26 Service Occupation Tax Act, and this Act, the Department shall

1 deposit the following specified deposits in the aggregate from  
 2 collections under the Use Tax Act, the Service Use Tax Act, the  
 3 Service Occupation Tax Act, and the Retailers' Occupation Tax  
 4 Act, as required under Section 8.25g of the State Finance Act  
 5 for distribution consistent with the Public-Private  
 6 Partnership for Civic and Transit Infrastructure Project Act.  
 7 The moneys received by the Department pursuant to this Act and  
 8 required to be deposited into the Civic and Transit  
 9 Infrastructure Fund are subject to the pledge, claim and  
 10 charge set forth in Section 25-55 of the Public-Private  
 11 Partnership for Civic and Transit Infrastructure Project Act.  
 12 As used in this paragraph, "civic build", "private entity",  
 13 "public-private agreement", and "public agency" have the  
 14 meanings provided in Section 25-10 of the Public-Private  
 15 Partnership for Civic and Transit Infrastructure Project Act.

16	Fiscal Year.....	Total Deposit
17	2024 .....	\$200,000,000
18	2025 .....	\$206,000,000
19	2026 .....	\$212,200,000
20	2027 .....	\$218,500,000
21	2028 .....	\$225,100,000
22	2029 .....	\$288,700,000
23	2030 .....	\$298,900,000
24	2031 .....	\$309,300,000
25	2032 .....	\$320,100,000
26	2033 .....	\$331,200,000

1	2034	.....	\$341,200,000
2	2035	.....	\$351,400,000
3	2036	.....	\$361,900,000
4	2037	.....	\$372,800,000
5	2038	.....	\$384,000,000
6	2039	.....	\$395,500,000
7	2040	.....	\$407,400,000
8	2041	.....	\$419,600,000
9	2042	.....	\$432,200,000
10	2043	.....	\$445,100,000

11           Beginning July 1, 2021 and until July 1, 2022, subject to  
12 the payment of amounts into the County and Mass Transit  
13 District Fund, the Local Government Tax Fund, the Build  
14 Illinois Fund, the McCormick Place Expansion Project Fund, the  
15 Illinois Tax Increment Fund, and the Tax Compliance and  
16 Administration Fund as provided in this Section, the  
17 Department shall pay each month into the Road Fund the amount  
18 estimated to represent 16% of the net revenue realized from  
19 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
20 2022 and until July 1, 2023, subject to the payment of amounts  
21 into the County and Mass Transit District Fund, the Local  
22 Government Tax Fund, the Build Illinois Fund, the McCormick  
23 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
24 and the Tax Compliance and Administration Fund as provided in  
25 this Section, the Department shall pay each month into the  
26 Road Fund the amount estimated to represent 32% of the net

1 revenue realized from the taxes imposed on motor fuel and  
2 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
3 subject to the payment of amounts into the County and Mass  
4 Transit District Fund, the Local Government Tax Fund, the  
5 Build Illinois Fund, the McCormick Place Expansion Project  
6 Fund, the Illinois Tax Increment Fund, and the Tax Compliance  
7 and Administration Fund as provided in this Section, the  
8 Department shall pay each month into the Road Fund the amount  
9 estimated to represent 48% of the net revenue realized from  
10 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
11 2024 and until July 1, 2025, subject to the payment of amounts  
12 into the County and Mass Transit District Fund, the Local  
13 Government Tax Fund, the Build Illinois Fund, the McCormick  
14 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
15 and the Tax Compliance and Administration Fund as provided in  
16 this Section, the Department shall pay each month into the  
17 Road Fund the amount estimated to represent 64% of the net  
18 revenue realized from the taxes imposed on motor fuel and  
19 gasohol. Beginning on July 1, 2025, subject to the payment of  
20 amounts into the County and Mass Transit District Fund, the  
21 Local Government Tax Fund, the Build Illinois Fund, the  
22 McCormick Place Expansion Project Fund, the Illinois Tax  
23 Increment Fund, and the Tax Compliance and Administration Fund  
24 as provided in this Section, the Department shall pay each  
25 month into the Road Fund the amount estimated to represent 80%  
26 of the net revenue realized from the taxes imposed on motor

1 fuel and gasohol. As used in this paragraph "motor fuel" has  
2 the meaning given to that term in Section 1.1 of the Motor Fuel  
3 Tax Law, and "gasohol" has the meaning given to that term in  
4 Section 3-40 of the Use Tax Act.

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

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

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

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

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

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

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

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

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

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

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

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

1 arrangement.

2 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;  
3 103-363, eff. 7-28-23; revised 9-25-23.)

4 Section 110-20. The Retailers' Occupation Tax Act is  
5 amended by changing Section 3 as follows:

6 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

12 1. The name of the seller;

13 2. His residence address and the address of his  
14 principal place of business and the address of the  
15 principal place of business (if that is a different  
16 address) from which he engages in the business of selling  
17 tangible personal property at retail in this State;

18 3. Total amount of receipts received by him during the  
19 preceding calendar month or quarter, as the case may be,  
20 from sales of tangible personal property, and from  
21 services furnished, by him during such preceding calendar  
22 month or quarter;

23 4. Total amount received by him during the preceding  
24 calendar month or quarter on charge and time sales of



1           tangible personal property, and from services furnished,  
2           by him prior to the month or quarter for which the return  
3           is filed;

4           5. Deductions allowed by law;

5           6. Gross receipts which were received by him during  
6           the preceding calendar month or quarter and upon the basis  
7           of which the tax is imposed, including gross receipts on  
8           food for human consumption that is to be consumed off the  
9           premises where it is sold (other than alcoholic beverages,  
10          food consisting of or infused with adult use cannabis,  
11          soft drinks, and food that has been prepared for immediate  
12          consumption) which were received during the preceding  
13          calendar month or quarter and upon which tax would have  
14          been due but for the 0% rate imposed under Public Act  
15          102-700;

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

18          8. The amount of tax due, including the amount of tax  
19          that would have been due on food for human consumption  
20          that is to be consumed off the premises where it is sold  
21          (other than alcoholic beverages, food consisting of or  
22          infused with adult use cannabis, soft drinks, and food  
23          that has been prepared for immediate consumption) but for  
24          the 0% rate imposed under Public Act 102-700;

25          9. The signature of the taxpayer; and

26          10. Such other reasonable information as the

1 Department may require.

2 On and after January 1, 2018, except for returns required  
3 to be filed prior to January 1, 2023 for motor vehicles,  
4 watercraft, aircraft, and trailers that are required to be  
5 registered with an agency of this State, with respect to  
6 retailers whose annual gross receipts average \$20,000 or more,  
7 all returns required to be filed pursuant to this Act shall be  
8 filed electronically. On and after January 1, 2023, with  
9 respect to retailers whose annual gross receipts average  
10 \$20,000 or more, all returns required to be filed pursuant to  
11 this Act, including, but not limited to, returns for motor  
12 vehicles, watercraft, aircraft, and trailers that are required  
13 to be registered with an agency of this State, shall be filed  
14 electronically. Retailers who demonstrate that they do not  
15 have access to the Internet or demonstrate hardship in filing  
16 electronically may petition the Department to waive the  
17 electronic filing requirement.

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 be  
21 due on the return shall be deemed assessed.

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

25 Prior to October 1, 2003~~7~~ and on and after September 1,  
26 2004~~4~~, a retailer may accept a Manufacturer's Purchase Credit

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

20 Beginning on July 1, 2023 and through December 31, 2032, a  
21 retailer may accept a Sustainable Aviation Fuel Purchase  
22 Credit certification from an air common carrier-purchaser in  
23 satisfaction of Use Tax on aviation fuel as provided in  
24 Section 3-87 of the Use Tax Act if the purchaser provides the  
25 appropriate documentation as required by Section 3-87 of the  
26 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit

1 certification accepted by a retailer in accordance with this  
2 paragraph may be used by that retailer to satisfy Retailers'  
3 Occupation Tax liability (but not in satisfaction of penalty  
4 or interest) in the amount claimed in the certification, not  
5 to exceed 6.25% of the receipts subject to tax from a sale of  
6 aviation fuel. In addition, for a sale of aviation fuel to  
7 qualify to earn the Sustainable Aviation Fuel Purchase Credit,  
8 retailers must retain in their books and records a  
9 certification from the producer of the aviation fuel that the  
10 aviation fuel sold by the retailer and for which a sustainable  
11 aviation fuel purchase credit was earned meets the definition  
12 of sustainable aviation fuel under Section 3-87 of the Use Tax  
13 Act. The documentation must include detail sufficient for the  
14 Department to determine the number of gallons of sustainable  
15 aviation fuel sold.

16 The Department may require returns to be filed on a  
17 quarterly basis. If so required, a return for each calendar  
18 quarter shall be filed on or before the twentieth day of the  
19 calendar month following the end of such calendar quarter. The  
20 taxpayer shall also file a return with the Department for each  
21 of the first 2 ~~two~~ months of each calendar quarter, on or  
22 before the twentieth day of the following calendar month,  
23 stating:

24 1. The name of the seller;

25 2. The address of the principal place of business from  
26 which he engages in the business of selling tangible

1 personal property at retail in this State;

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

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

9 5. The amount of tax due; and

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

12 Every person engaged in the business of selling aviation  
13 fuel at retail in this State during the preceding calendar  
14 month shall, instead of reporting and paying tax as otherwise  
15 required by this Section, report and pay such tax on a separate  
16 aviation fuel tax return. The requirements related to the  
17 return shall be as otherwise provided in this Section.  
18 Notwithstanding any other provisions of this Act to the  
19 contrary, retailers selling aviation fuel shall file all  
20 aviation fuel tax returns and shall make all aviation fuel tax  
21 payments by electronic means in the manner and form required  
22 by the Department. For purposes of this Section, "aviation  
23 fuel" means jet fuel and aviation gasoline.

24 Beginning on October 1, 2003, any person who is not a  
25 licensed distributor, importing distributor, or manufacturer,  
26 as defined in the Liquor Control Act of 1934, but is engaged in

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

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

1 distributor's, importing distributor's, or manufacturer's  
2 total sales of alcoholic liquor to that retailer no later than  
3 the 10th day of the month for the preceding month during which  
4 the transaction occurred. The distributor, importing  
5 distributor, or manufacturer shall notify the retailer as to  
6 the method by which the distributor, importing distributor, or  
7 manufacturer will provide the sales information. If the  
8 retailer is unable to receive the sales information by  
9 electronic means, the distributor, importing distributor, or  
10 manufacturer shall furnish the sales information by personal  
11 delivery or by mail. For purposes of this paragraph, the term  
12 "electronic means" includes, but is not limited to, the use of  
13 a secure Internet website, e-mail, or facsimile.

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

18 Notwithstanding any other provision of this Act to the  
19 contrary, retailers subject to tax on cannabis shall file all  
20 cannabis tax returns and shall make all cannabis tax payments  
21 by electronic means in the manner and form required by the  
22 Department.

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

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

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



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

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

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

11 Any amount which is required to be shown or reported on any  
12 return or other document under this Act shall, if such amount  
13 is not a whole-dollar amount, be increased to the nearest  
14 whole-dollar amount in any case where the fractional part of a  
15 dollar is 50 cents or more, and decreased to the nearest  
16 whole-dollar amount where the fractional part of a dollar is  
17 less than 50 cents.

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

1 return for October, November, and December of a given year  
2 being due by January 20 of the following year.

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

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

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

19 Where the same person has more than one business  
20 registered with the Department under separate registrations  
21 under this Act, such person may not file each return that is  
22 due as a single return covering all such registered  
23 businesses, but shall file separate returns for each such  
24 registered business.

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

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

23 In addition, with respect to motor vehicles, watercraft,  
24 aircraft, and trailers that are required to be registered with  
25 an agency of this State, every person who is engaged in the  
26 business of leasing or renting such items and who, in

1 connection with such business, sells any such item to a  
2 retailer for the purpose of resale is, notwithstanding any  
3 other provision of this Section to the contrary, authorized to  
4 meet the return-filing requirement of this Act by reporting  
5 the transfer of all the aircraft, watercraft, motor vehicles,  
6 or trailers transferred for resale during a month to the  
7 Department on the same uniform invoice-transaction reporting  
8 return form on or before the 20th of the month following the  
9 month in which the transfer takes place. Notwithstanding any  
10 other provision of this Act to the contrary, all returns filed  
11 under this paragraph must be filed by electronic means in the  
12 manner and form as required by the Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 Except as provided in this Section, the retailer filing  
24 the return under this Section shall, at the time of filing such  
25 return, pay to the Department the amount of tax imposed by this  
26 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%



1 on and after January 1, 1990, or \$5 per calendar year,  
2 whichever is greater, which is allowed to reimburse the  
3 retailer for the expenses incurred in keeping records,  
4 preparing and filing returns, remitting the tax and supplying  
5 data to the Department on request. On and after January 1,  
6 2021, a certified service provider, as defined in the Leveling  
7 the Playing Field for Illinois Retail Act, filing the return  
8 under this Section on behalf of a remote retailer shall, at the  
9 time of such return, pay to the Department the amount of tax  
10 imposed by this Act less a discount of 1.75%. A remote retailer  
11 using a certified service provider to file a return on its  
12 behalf, as provided in the Leveling the Playing Field for  
13 Illinois Retail Act, is not eligible for the discount.  
14 Beginning with returns due on or after January 1, 2025, the  
15 vendor's discount allowed in this Section, the Service  
16 Occupation Tax Act, the Use Tax Act, and the Service Use Tax  
17 Act, including any local tax administered by the Department  
18 and reported on the same return, shall not exceed \$1,000 per  
19 month in the aggregate for returns other than transaction  
20 returns filed during the month. When determining the discount  
21 allowed under this Section, retailers shall include the amount  
22 of tax that would have been due at the 1% rate but for the 0%  
23 rate imposed under Public Act 102-700. When determining the  
24 discount allowed under this Section, retailers shall include  
25 the amount of tax that would have been due at the 6.25% rate  
26 but for the 1.25% rate imposed on sales tax holiday items under

1 Public Act 102-700. The discount under this Section is not  
2 allowed for the 1.25% portion of taxes paid on aviation fuel  
3 that is subject to the revenue use requirements of 49 U.S.C.  
4 47107(b) and 49 U.S.C. 47133. Any prepayment made pursuant to  
5 Section 2d of this Act shall be included in the amount on which  
6 such ~~2.1% or 1.75%~~ discount is computed. In the case of  
7 retailers who report and pay the tax on a transaction by  
8 transaction basis, as provided in this Section, such discount  
9 shall be taken with each such tax remittance instead of when  
10 such retailer files his periodic return, but, beginning with  
11 returns due on or after January 1, 2025, the vendor's discount  
12 allowed under this Section and the Use Tax Act, including any  
13 local tax administered by the Department and reported on the  
14 same transaction return, shall not exceed \$1,000 per month for  
15 all transaction returns filed during the month. The discount  
16 allowed under this Section is allowed only for returns that  
17 are filed in the manner required by this Act. The Department  
18 may disallow the discount for retailers whose certificate of  
19 registration is revoked at the time the return is filed, but  
20 only if the Department's decision to revoke the certificate of  
21 registration has become final.

22 Before October 1, 2000, if the taxpayer's average monthly  
23 tax liability to the Department under this Act, the Use Tax  
24 Act, the Service Occupation Tax Act, and the Service Use Tax  
25 Act, excluding any liability for prepaid sales tax to be  
26 remitted in accordance with Section 2d of this Act, was

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

1 prior to January 1, 1987, each payment shall be in an amount  
2 equal to 22.5% of the taxpayer's actual liability for the  
3 month or 27.5% of the taxpayer's liability for the same  
4 calendar month of the preceding year. If the month during  
5 which such tax liability is incurred begins on or after  
6 January 1, 1987 and prior to January 1, 1988, each payment  
7 shall be in an amount equal to 22.5% of the taxpayer's actual  
8 liability for the month or 26.25% of the taxpayer's liability  
9 for the same calendar month of the preceding year. If the month  
10 during which such tax liability is incurred begins on or after  
11 January 1, 1988, and prior to January 1, 1989, or begins on or  
12 after January 1, 1996, each payment shall be in an amount equal  
13 to 22.5% of the taxpayer's actual liability for the month or  
14 25% of the taxpayer's liability for the same calendar month of  
15 the preceding year. If the month during which such tax  
16 liability is incurred begins on or after January 1, 1989, and  
17 prior to January 1, 1996, each payment shall be in an amount  
18 equal to 22.5% of the taxpayer's actual liability for the  
19 month or 25% of the taxpayer's liability for the same calendar  
20 month of the preceding year or 100% of the taxpayer's actual  
21 liability for the quarter monthly reporting period. The amount  
22 of such quarter monthly payments shall be credited against the  
23 final tax liability of the taxpayer's return for that month.  
24 Before October 1, 2000, once applicable, the requirement of  
25 the making of quarter monthly payments to the Department by  
26 taxpayers having an average monthly tax liability of \$10,000

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

1 the taxpayer's business has occurred which causes the taxpayer  
2 to anticipate that his average monthly tax liability for the  
3 reasonably foreseeable future will fall below the \$20,000  
4 threshold stated above, then such taxpayer may petition the  
5 Department for a change in such taxpayer's reporting status.  
6 The Department shall change such taxpayer's reporting status  
7 unless it finds that such change is seasonal in nature and not  
8 likely to be long term. Quarter monthly payment status shall  
9 be determined under this paragraph as if the rate reduction to  
10 0% in Public Act 102-700 on food for human consumption that is  
11 to be consumed off the premises where it is sold (other than  
12 alcoholic beverages, food consisting of or infused with adult  
13 use cannabis, soft drinks, and food that has been prepared for  
14 immediate consumption) had not occurred. For quarter monthly  
15 payments due under this paragraph on or after July 1, 2023 and  
16 through June 30, 2024, "25% of the taxpayer's liability for  
17 the same calendar month of the preceding year" shall be  
18 determined as if the rate reduction to 0% in Public Act 102-700  
19 had not occurred. Quarter monthly payment status shall be  
20 determined under this paragraph as if the rate reduction to  
21 1.25% in Public Act 102-700 on sales tax holiday items had not  
22 occurred. For quarter monthly payments due on or after July 1,  
23 2023 and through June 30, 2024, "25% of the taxpayer's  
24 liability for the same calendar month of the preceding year"  
25 shall be determined as if the rate reduction to 1.25% in Public  
26 Act 102-700 on sales tax holiday items had not occurred. If any

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

13 The provisions of this paragraph apply before October 1,  
14 2001. Without regard to whether a taxpayer is required to make  
15 quarter monthly payments as specified above, any taxpayer who  
16 is required by Section 2d of this Act to collect and remit  
17 prepaid taxes and has collected prepaid taxes which average in  
18 excess of \$25,000 per month during the preceding 2 complete  
19 calendar quarters, shall file a return with the Department as  
20 required by Section 2f and shall make payments to the  
21 Department on or before the 7th, 15th, 22nd and last day of the  
22 month during which such liability is incurred. If the month  
23 during which such tax liability is incurred began prior to  
24 September 1, 1985 (the effective date of Public Act 84-221),  
25 each payment shall be in an amount not less than 22.5% of the  
26 taxpayer's actual liability under Section 2d. If the month

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

23 The provisions of this paragraph apply on and after  
24 October 1, 2001. Without regard to whether a taxpayer is  
25 required to make quarter monthly payments as specified above,  
26 any taxpayer who is required by Section 2d of this Act to



1 collect and remit prepaid taxes and has collected prepaid  
2 taxes that average in excess of \$20,000 per month during the  
3 preceding 4 complete calendar quarters shall file a return  
4 with the Department as required by Section 2f and shall make  
5 payments to the Department on or before the 7th, 15th, 22nd,  
6 and last day of the month during which the liability is  
7 incurred. Each payment shall be in an amount equal to 22.5% of  
8 the taxpayer's actual liability for the month or 25% of the  
9 taxpayer's liability for the same calendar month of the  
10 preceding year. The amount of the quarter monthly payments  
11 shall be credited against the final tax liability of the  
12 taxpayer's return for that month filed under this Section or  
13 Section 2f, as the case may be. Once applicable, the  
14 requirement of the making of quarter monthly payments to the  
15 Department pursuant to this paragraph shall continue until the  
16 taxpayer's average monthly prepaid tax collections during the  
17 preceding 4 complete calendar quarters (excluding the month of  
18 highest liability and the month of lowest liability) is less  
19 than \$19,000 or until such taxpayer's average monthly  
20 liability to the Department as computed for each calendar  
21 quarter of the 4 preceding complete calendar quarters is less  
22 than \$20,000. If any such quarter monthly payment is not paid  
23 at the time or in the amount required, the taxpayer shall be  
24 liable for penalties and interest on such difference, except  
25 insofar as the taxpayer has previously made payments for that  
26 month in excess of the minimum payments previously due.

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

24           If a retailer of motor fuel is entitled to a credit under  
25 Section 2d of this Act which exceeds the taxpayer's liability  
26 to the Department under this Act for the month for which the

1 taxpayer is filing a return, the Department shall issue the  
2 taxpayer a credit memorandum for the excess.

3 Beginning January 1, 1990, each month the Department shall  
4 pay into the Local Government Tax Fund, a special fund in the  
5 State treasury which is hereby created, the net revenue  
6 realized for the preceding month from the 1% tax imposed under  
7 this Act.

8 Beginning January 1, 1990, each month the Department shall  
9 pay into the County and Mass Transit District Fund, a special  
10 fund in the State treasury which is hereby created, 4% of the  
11 net revenue realized for the preceding month from the 6.25%  
12 general rate other than aviation fuel sold on or after  
13 December 1, 2019. This exception for aviation fuel only  
14 applies for so long as the revenue use requirements of 49  
15 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

16 Beginning August 1, 2000, each month the Department shall  
17 pay into the County and Mass Transit District Fund 20% of the  
18 net revenue realized for the preceding month from the 1.25%  
19 rate on the selling price of motor fuel and gasohol. If, in any  
20 month, the tax on sales tax holiday items, as defined in  
21 Section 2-8, is imposed at the rate of 1.25%, then the  
22 Department shall pay 20% of the net revenue realized for that  
23 month from the 1.25% rate on the selling price of sales tax  
24 holiday items into the County and Mass Transit District Fund.

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

1 realized for the preceding month from the 6.25% general rate  
2 on the selling price of tangible personal property other than  
3 aviation fuel sold on or after December 1, 2019. This  
4 exception for aviation fuel only applies for so long as the  
5 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
6 47133 are binding on the State.

7 For aviation fuel sold on or after December 1, 2019, each  
8 month the Department shall pay into the State Aviation Program  
9 Fund 20% of the net revenue realized for the preceding month  
10 from the 6.25% general rate on the selling price of aviation  
11 fuel, less an amount estimated by the Department to be  
12 required for refunds of the 20% portion of the tax on aviation  
13 fuel under this Act, which amount shall be deposited into the  
14 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
15 pay moneys into the State Aviation Program Fund and the  
16 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
17 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
18 U.S.C. 47133 are binding on the State.

19 Beginning August 1, 2000, each month the Department shall  
20 pay into the Local Government Tax Fund 80% of the net revenue  
21 realized for the preceding month from the 1.25% rate on the  
22 selling price of motor fuel and gasohol. If, in any month, the  
23 tax on sales tax holiday items, as defined in Section 2-8, is  
24 imposed at the rate of 1.25%, then the Department shall pay 80%  
25 of the net revenue realized for that month from the 1.25% rate  
26 on the selling price of sales tax holiday items into the Local

1 Government Tax Fund.

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

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

18 Beginning July 1, 2013, each month the Department shall  
19 pay into the Underground Storage Tank Fund from the proceeds  
20 collected under this Act, the Use Tax Act, the Service Use Tax  
21 Act, and the Service Occupation Tax Act an amount equal to the  
22 average monthly deficit in the Underground Storage Tank Fund  
23 during the prior year, as certified annually by the Illinois  
24 Environmental Protection Agency, but the total payment into  
25 the Underground Storage Tank Fund under this Act, the Use Tax  
26 Act, the Service Use Tax Act, and the Service Occupation Tax

1 Act shall not exceed \$18,000,000 in any State fiscal year. As  
2 used in this paragraph, the "average monthly deficit" shall be  
3 equal to the difference between the average monthly claims for  
4 payment by the fund and the average monthly revenues deposited  
5 into the fund, excluding payments made pursuant to this  
6 paragraph.

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

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

1 hereinafter defined), an amount equal to the difference shall  
2 be immediately paid into the Build Illinois Fund from other  
3 moneys received by the Department pursuant to the Tax Acts;  
4 the "Annual Specified Amount" means the amounts specified  
5 below for fiscal years 1986 through 1993:

6	Fiscal Year	Annual Specified Amount
7	1986	\$54,800,000
8	1987	\$76,650,000
9	1988	\$80,480,000
10	1989	\$88,510,000
11	1990	\$115,330,000
12	1991	\$145,470,000
13	1992	\$182,730,000
14	1993	\$206,520,000;

15 and means the Certified Annual Debt Service Requirement (as  
16 defined in Section 13 of the Build Illinois Bond Act) or the  
17 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
18 each fiscal year thereafter; and further provided, that if on  
19 the last business day of any month the sum of (1) the Tax Act  
20 Amount required to be deposited into the Build Illinois Bond  
21 Account in the Build Illinois Fund during such month and (2)  
22 the amount transferred to the Build Illinois Fund from the  
23 State and Local Sales Tax Reform Fund shall have been less than  
24 1/12 of the Annual Specified Amount, an amount equal to the  
25 difference shall be immediately paid into the Build Illinois  
26 Fund from other moneys received by the Department pursuant to

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



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

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

24	Fiscal Year	Total Deposit
25	1993	\$0
26	1994	53,000,000

1	1995	58,000,000
2	1996	61,000,000
3	1997	64,000,000
4	1998	68,000,000
5	1999	71,000,000
6	2000	75,000,000
7	2001	80,000,000
8	2002	93,000,000
9	2003	99,000,000
10	2004	103,000,000
11	2005	108,000,000
12	2006	113,000,000
13	2007	119,000,000
14	2008	126,000,000
15	2009	132,000,000
16	2010	139,000,000
17	2011	146,000,000
18	2012	153,000,000
19	2013	161,000,000
20	2014	170,000,000
21	2015	179,000,000
22	2016	189,000,000
23	2017	199,000,000
24	2018	210,000,000
25	2019	221,000,000
26	2020	233,000,000

1	2021	300,000,000
2	2022	300,000,000
3	2023	300,000,000
4	2024	300,000,000
5	2025	300,000,000
6	2026	300,000,000
7	2027	375,000,000
8	2028	375,000,000
9	2029	375,000,000
10	2030	375,000,000
11	2031	375,000,000
12	2032	375,000,000
13	2033	375,000,000
14	2034	375,000,000
15	2035	375,000,000
16	2036	450,000,000

17 and

18 each fiscal year

19 thereafter that bonds

20 are outstanding under

21 Section 13.2 of the

22 Metropolitan Pier and

23 Exposition Authority Act,

24 but not after fiscal year 2060.

25 Beginning July 20, 1993 and in each month of each fiscal  
26 year thereafter, one-eighth of the amount requested in the

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

12 Subject to payment of amounts into the Capital Projects  
13 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
14 and the McCormick Place Expansion Project Fund pursuant to the  
15 preceding paragraphs or in any amendments thereto hereafter  
16 enacted, for aviation fuel sold on or after December 1, 2019,  
17 the Department shall each month deposit into the Aviation Fuel  
18 Sales Tax Refund Fund an amount estimated by the Department to  
19 be required for refunds of the 80% portion of the tax on  
20 aviation fuel under this Act. The Department shall only  
21 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
22 under this paragraph for so long as the revenue use  
23 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
24 binding on the State.

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

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

7 Subject to payment of amounts into the Build Illinois  
8 Fund, the McCormick Place Expansion Project Fund, and the  
9 Illinois Tax Increment Fund pursuant to the preceding  
10 paragraphs or in any amendments to this Section hereafter  
11 enacted, beginning on the first day of the first calendar  
12 month to occur on or after August 26, 2014 (the effective date  
13 of Public Act 98-1098), each month, from the collections made  
14 under Section 9 of the Use Tax Act, Section 9 of the Service  
15 Use Tax Act, Section 9 of the Service Occupation Tax Act, and  
16 Section 3 of the Retailers' Occupation Tax Act, the Department  
17 shall pay into the Tax Compliance and Administration Fund, to  
18 be used, subject to appropriation, to fund additional auditors  
19 and compliance personnel at the Department of Revenue, an  
20 amount equal to 1/12 of 5% of 80% of the cash receipts  
21 collected during the preceding fiscal year by the Audit Bureau  
22 of the Department under the Use Tax Act, the Service Use Tax  
23 Act, the Service Occupation Tax Act, the Retailers' Occupation  
24 Tax Act, and associated local occupation and use taxes  
25 administered by the Department.

26 Subject to payments of amounts into the Build Illinois

1 Fund, the McCormick Place Expansion Project Fund, the Illinois  
2 Tax Increment Fund, the Energy Infrastructure Fund, and the  
3 Tax Compliance and Administration Fund as provided in this  
4 Section, beginning on July 1, 2018 the Department shall pay  
5 each month into the Downstate Public Transportation Fund the  
6 moneys required to be so paid under Section 2-3 of the  
7 Downstate Public Transportation Act.

8 Subject to successful execution and delivery of a  
9 public-private agreement between the public agency and private  
10 entity and completion of the civic build, beginning on July 1,  
11 2023, of the remainder of the moneys received by the  
12 Department under the Use Tax Act, the Service Use Tax Act, the  
13 Service Occupation Tax Act, and this Act, the Department shall  
14 deposit the following specified deposits in the aggregate from  
15 collections under the Use Tax Act, the Service Use Tax Act, the  
16 Service Occupation Tax Act, and the Retailers' Occupation Tax  
17 Act, as required under Section 8.25g of the State Finance Act  
18 for distribution consistent with the Public-Private  
19 Partnership for Civic and Transit Infrastructure Project Act.  
20 The moneys received by the Department pursuant to this Act and  
21 required to be deposited into the Civic and Transit  
22 Infrastructure Fund are subject to the pledge, claim and  
23 charge set forth in Section 25-55 of the Public-Private  
24 Partnership for Civic and Transit Infrastructure Project Act.  
25 As used in this paragraph, "civic build", "private entity",  
26 "public-private agreement", and "public agency" have the

1 meanings provided in Section 25-10 of the Public-Private  
2 Partnership for Civic and Transit Infrastructure Project Act.

3	Fiscal Year.....	Total Deposit
4	2024 .....	\$200,000,000
5	2025 .....	\$206,000,000
6	2026 .....	\$212,200,000
7	2027 .....	\$218,500,000
8	2028 .....	\$225,100,000
9	2029 .....	\$288,700,000
10	2030 .....	\$298,900,000
11	2031 .....	\$309,300,000
12	2032 .....	\$320,100,000
13	2033 .....	\$331,200,000
14	2034 .....	\$341,200,000
15	2035 .....	\$351,400,000
16	2036 .....	\$361,900,000
17	2037 .....	\$372,800,000
18	2038 .....	\$384,000,000
19	2039 .....	\$395,500,000
20	2040 .....	\$407,400,000
21	2041 .....	\$419,600,000
22	2042 .....	\$432,200,000
23	2043 .....	\$445,100,000

24 Beginning July 1, 2021 and until July 1, 2022, subject to  
25 the payment of amounts into the County and Mass Transit  
26 District Fund, the Local Government Tax Fund, the Build

1 Illinois Fund, the McCormick Place Expansion Project Fund, the  
2 Illinois Tax Increment Fund, and the Tax Compliance and  
3 Administration Fund as provided in this Section, the  
4 Department shall pay each month into the Road Fund the amount  
5 estimated to represent 16% of the net revenue realized from  
6 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
7 2022 and until July 1, 2023, subject to the payment of amounts  
8 into the County and Mass Transit District Fund, the Local  
9 Government Tax Fund, the Build Illinois Fund, the McCormick  
10 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
11 and the Tax Compliance and Administration Fund as provided in  
12 this Section, the Department shall pay each month into the  
13 Road Fund the amount estimated to represent 32% of the net  
14 revenue realized from the taxes imposed on motor fuel and  
15 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
16 subject to the payment of amounts into the County and Mass  
17 Transit District Fund, the Local Government Tax Fund, the  
18 Build Illinois Fund, the McCormick Place Expansion Project  
19 Fund, the Illinois Tax Increment Fund, and the Tax Compliance  
20 and Administration Fund as provided in this Section, the  
21 Department shall pay each month into the Road Fund the amount  
22 estimated to represent 48% of the net revenue realized from  
23 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
24 2024 and until July 1, 2025, subject to the payment of amounts  
25 into the County and Mass Transit District Fund, the Local  
26 Government Tax Fund, the Build Illinois Fund, the McCormick



1 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
2 and the Tax Compliance and Administration Fund as provided in  
3 this Section, the Department shall pay each month into the  
4 Road Fund the amount estimated to represent 64% of the net  
5 revenue realized from the taxes imposed on motor fuel and  
6 gasohol. Beginning on July 1, 2025, subject to the payment of  
7 amounts into the County and Mass Transit District Fund, the  
8 Local Government Tax Fund, the Build Illinois Fund, the  
9 McCormick Place Expansion Project Fund, the Illinois Tax  
10 Increment Fund, and the Tax Compliance and Administration Fund  
11 as provided in this Section, the Department shall pay each  
12 month into the Road Fund the amount estimated to represent 80%  
13 of the net revenue realized from the taxes imposed on motor  
14 fuel and gasohol. As used in this paragraph "motor fuel" has  
15 the meaning given to that term in Section 1.1 of the Motor Fuel  
16 Tax Law, and "gasohol" has the meaning given to that term in  
17 Section 3-40 of the Use Tax Act.

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

24 The Department may, upon separate written notice to a  
25 taxpayer, require the taxpayer to prepare and file with the  
26 Department on a form prescribed by the Department within not

1 less than 60 days after receipt of the notice an annual  
2 information return for the tax year specified in the notice.  
3 Such annual return to the Department shall include a statement  
4 of gross receipts as shown by the retailer's last federal  
5 ~~Federal~~ income tax return. If the total receipts of the  
6 business as reported in the federal ~~Federal~~ income tax return  
7 do not agree with the gross receipts reported to the  
8 Department of Revenue for the same period, the retailer shall  
9 attach to his annual return a schedule showing a  
10 reconciliation of the 2 amounts and the reasons for the  
11 difference. The retailer's annual return to the Department  
12 shall also disclose the cost of goods sold by the retailer  
13 during the year covered by such return, opening and closing  
14 inventories of such goods for such year, costs of goods used  
15 from stock or taken from stock and given away by the retailer  
16 during such year, payroll information of the retailer's  
17 business during such year and any additional reasonable  
18 information which the Department deems would be helpful in  
19 determining the accuracy of the monthly, quarterly, or annual  
20 returns filed by such retailer as provided for in this  
21 Section.

22 If the annual information return required by this Section  
23 is not filed when and as required, the taxpayer shall be liable  
24 as follows:

- 25 (i) Until January 1, 1994, the taxpayer shall be  
26 liable for a penalty equal to 1/6 of 1% of the tax due from

1           such taxpayer under this Act during the period to be  
2           covered by the annual return for each month or fraction of  
3           a month until such return is filed as required, the  
4           penalty to be assessed and collected in the same manner as  
5           any other penalty provided for in this Act.

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

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

17          The provisions of this Section concerning the filing of an  
18          annual information return do not apply to a retailer who is not  
19          required to file an income tax return with the United States  
20          Government.

21          As soon as possible after the first day of each month, upon  
22          certification of the Department of Revenue, the Comptroller  
23          shall order transferred and the Treasurer shall transfer from  
24          the General Revenue Fund to the Motor Fuel Tax Fund an amount  
25          equal to 1.7% of 80% of the net revenue realized under this Act  
26          for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

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

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

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

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

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

24 (Source: P.A. 102-634, eff. 8-27-21; 102-700, Article 60,  
25 Section 60-30, eff. 4-19-22; 102-700, Article 65, Section  
26 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.

1 1-1-23; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-363,  
2 eff. 7-28-23; revised 9-27-23.)

3 Section 110-25. The Prepaid Wireless 9-1-1 Surcharge Act  
4 is amended by changing Section 20 as follows:

5 (50 ILCS 753/20)

6 Sec. 20. Administration of prepaid wireless 9-1-1  
7 surcharge.

8 (a) In the administration and enforcement of this Act, the  
9 provisions of Sections 2a, 2b, 2c, 3, 4, 5, 5a, 5b, 5c, 5d, 5e,  
10 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, and 12 of the  
11 Retailers' Occupation Tax Act that are not inconsistent with  
12 this Act, and Section 3-7 of the Uniform Penalty and Interest  
13 Act shall apply, as far as practicable, to the subject matter  
14 of this Act to the same extent as if those provisions were  
15 included in this Act. References to "taxes" in these  
16 incorporated Sections shall be construed to apply to the  
17 administration, payment, and remittance of all surcharges  
18 under this Act. The Department shall establish registration  
19 and payment procedures that substantially coincide with the  
20 registration and payment procedures that apply to the  
21 Retailers' Occupation Tax Act.

22 (b) A seller shall be permitted to deduct and retain 3% of  
23 prepaid wireless 9-1-1 surcharges that are collected by the  
24 seller from consumers and that are remitted and timely filed

1 with the Department. Beginning with returns due on or after  
2 January 1, 2025, the 3% deduction allowed under this  
3 subsection, including any local surcharge administered by the  
4 Department and reported on the same return, shall not exceed  
5 \$1,000 per month. Beginning January 1, 2018, the seller is  
6 allowed to deduct and retain a portion of the prepaid wireless  
7 9-1-1 surcharges as authorized by this subsection only if the  
8 return is filed electronically as provided in Section 3 of the  
9 Retailers' Occupation Tax Act. Sellers who demonstrate that  
10 they do not have access to the Internet or demonstrate  
11 hardship in filing electronically may petition the Department  
12 to waive the electronic filing requirement.

13 (c) Other than the amounts for deposit into the Municipal  
14 Wireless Service Emergency Fund, the Department shall pay to  
15 the State Treasurer all prepaid wireless E911 charges,  
16 penalties, and interest collected under this Act for deposit  
17 into the Statewide 9-1-1 Fund. On or before the 25th day of  
18 each calendar month, the Department shall prepare and certify  
19 to the Comptroller the amount available to the Illinois State  
20 Police for distribution out of the Statewide 9-1-1 Fund. The  
21 amount certified shall be the amount (not including credit  
22 memoranda) collected during the second preceding calendar  
23 month by the Department plus an amount the Department  
24 determines is necessary to offset any amounts which were  
25 erroneously paid to a different taxing body. The amount paid  
26 to the Statewide 9-1-1 Fund shall not include any amount equal

1 to the amount of refunds made during the second preceding  
2 calendar month by the Department of Revenue to retailers under  
3 this Act or any amount that the Department determines is  
4 necessary to offset any amounts which were payable to a  
5 different taxing body but were erroneously paid to the  
6 Statewide 9-1-1 Fund. The Illinois State Police shall  
7 distribute the funds in accordance with Section 30 of the  
8 Emergency Telephone Safety Act. The Department may deduct an  
9 amount, not to exceed 2% of remitted charges, to be  
10 transferred into the Tax Compliance and Administration Fund to  
11 reimburse the Department for its direct costs of administering  
12 the collection and remittance of prepaid wireless 9-1-1  
13 surcharges.

14 (d) The Department shall administer the collection of all  
15 9-1-1 surcharges and may adopt and enforce reasonable rules  
16 relating to the administration and enforcement of the  
17 provisions of this Act as may be deemed expedient. The  
18 Department shall require all surcharges collected under this  
19 Act to be reported on existing forms or combined forms,  
20 including, but not limited to, Form ST-1. Any overpayments  
21 received by the Department for liabilities reported on  
22 existing or combined returns shall be applied as an  
23 overpayment of retailers' occupation tax, use tax, service  
24 occupation tax, or service use tax liability.

25 (e) If a home rule municipality having a population in  
26 excess of 500,000 as of the effective date of this amendatory



1 Act of the 97th General Assembly imposes an E911 surcharge  
2 under subsection (a-5) of Section 15 of this Act, then the  
3 Department shall pay to the State Treasurer all prepaid  
4 wireless E911 charges, penalties, and interest collected for  
5 deposit into the Municipal Wireless Service Emergency Fund.  
6 All deposits into the Municipal Wireless Service Emergency  
7 Fund shall be held by the State Treasurer as ex officio  
8 custodian apart from all public moneys or funds of this State.  
9 Any interest attributable to moneys in the Fund must be  
10 deposited into the Fund. Moneys in the Municipal Wireless  
11 Service Emergency Fund are not subject to appropriation. On or  
12 before the 25th day of each calendar month, the Department  
13 shall prepare and certify to the Comptroller the amount  
14 available for disbursement to the home rule municipality out  
15 of the Municipal Wireless Service Emergency Fund. The amount  
16 to be paid to the Municipal Wireless Service Emergency Fund  
17 shall be the amount (not including credit memoranda) collected  
18 during the second preceding calendar month by the Department  
19 plus an amount the Department determines is necessary to  
20 offset any amounts which were erroneously paid to a different  
21 taxing body. The amount paid to the Municipal Wireless Service  
22 Emergency Fund shall not include any amount equal to the  
23 amount of refunds made during the second preceding calendar  
24 month by the Department to retailers under this Act or any  
25 amount that the Department determines is necessary to offset  
26 any amounts which were payable to a different taxing body but

1 were erroneously paid to the Municipal Wireless Service  
2 Emergency Fund. Within 10 days after receipt by the  
3 Comptroller of the certification provided for in this  
4 subsection, the Comptroller shall cause the orders to be drawn  
5 for the respective amounts in accordance with the directions  
6 in the certification. The Department may deduct an amount, not  
7 to exceed 2% of remitted charges, to be transferred into the  
8 Tax Compliance and Administration Fund to reimburse the  
9 Department for its direct costs of administering the  
10 collection and remittance of prepaid wireless 9-1-1  
11 surcharges.

12 (Source: P.A. 102-538, eff. 8-20-21.)

13 ARTICLE 115.

14 Section 115-5. The Business Corporation Act of 1983 is  
15 amended by changing Sections 15.35 and 15.65 as follows:

16 (805 ILCS 5/15.35) (from Ch. 32, par. 15.35)

17 (Text of Section from P.A. 102-16 and 103-8)

18 Sec. 15.35. Franchise taxes payable by domestic  
19 corporations. For the privilege of exercising its franchises  
20 in this State, each domestic corporation shall pay to the  
21 Secretary of State the following franchise taxes, computed on  
22 the basis, at the rates and for the periods prescribed in this  
23 Act:

1           (a) An initial franchise tax at the time of filing its  
2 first report of issuance of shares.

3           (b) An additional franchise tax at the time of filing  
4 (1) a report of the issuance of additional shares, or (2) a  
5 report of an increase in paid-in capital without the  
6 issuance of shares, or (3) an amendment to the articles of  
7 incorporation or a report of cumulative changes in paid-in  
8 capital, whenever any amendment or such report discloses  
9 an increase in its paid-in capital over the amount thereof  
10 last reported in any document, other than an annual  
11 report, interim annual report or final transition annual  
12 report required by this Act to be filed in the office of  
13 the Secretary of State.

14           (c) An additional franchise tax at the time of filing  
15 a report of paid-in capital following a statutory merger  
16 or consolidation, which discloses that the paid-in capital  
17 of the surviving or new corporation immediately after the  
18 merger or consolidation is greater than the sum of the  
19 paid-in capital of all of the merged or consolidated  
20 corporations as last reported by them in any documents,  
21 other than annual reports, required by this Act to be  
22 filed in the office of the Secretary of State; and in  
23 addition, the surviving or new corporation shall be liable  
24 for a further additional franchise tax on the paid-in  
25 capital of each of the merged or consolidated corporations  
26 as last reported by them in any document, other than an

1 annual report, required by this Act to be filed with the  
2 Secretary of State from their taxable year end to the next  
3 succeeding anniversary month or, in the case of a  
4 corporation which has established an extended filing  
5 month, the extended filing month of the surviving or new  
6 corporation; however if the taxable year ends within the  
7 2-month period immediately preceding the anniversary month  
8 or, in the case of a corporation which has established an  
9 extended filing month, the extended filing month of the  
10 surviving or new corporation the tax will be computed to  
11 the anniversary month or, in the case of a corporation  
12 which has established an extended filing month, the  
13 extended filing month of the surviving or new corporation  
14 in the next succeeding calendar year.

15 (d) An annual franchise tax payable each year with the  
16 annual report which the corporation is required by this  
17 Act to file.

18 On or after January 1, 2020 and prior to January 1, 2021,  
19 the first \$30 in liability is exempt from the tax imposed under  
20 this Section. On or after January 1, 2021, and prior to January  
21 1, 2024, the first \$1,000 in liability is exempt from the tax  
22 imposed under this Section. On or after January 1, 2024, and  
23 before January 1, 2025, the first \$5,000 in liability is  
24 exempt from the tax imposed under this Section. On and after  
25 January 1, 2025, the first \$10,000 in liability is exempt from  
26 the tax imposed under this Section.

1 (Source: P.A. 102-16, eff. 6-17-21; 103-8, eff. 6-7-23.)

2 (Text of Section from P.A. 102-282, 102-558, and 103-8)

3 Sec. 15.35. Franchise taxes payable by domestic  
4 corporations. For the privilege of exercising its franchises  
5 in this State, each domestic corporation shall pay to the  
6 Secretary of State the following franchise taxes, computed on  
7 the basis, at the rates and for the periods prescribed in this  
8 Act:

9 (a) An initial franchise tax at the time of filing its  
10 first report of issuance of shares.

11 (b) An additional franchise tax at the time of filing  
12 (1) a report of the issuance of additional shares, or (2) a  
13 report of an increase in paid-in capital without the  
14 issuance of shares, or (3) an amendment to the articles of  
15 incorporation or a report of cumulative changes in paid-in  
16 capital, whenever any amendment or such report discloses  
17 an increase in its paid-in capital over the amount thereof  
18 last reported in any document, other than an annual  
19 report, interim annual report or final transition annual  
20 report required by this Act to be filed in the office of  
21 the Secretary of State.

22 (c) An additional franchise tax at the time of filing  
23 a report of paid-in capital following a statutory merger  
24 or consolidation, which discloses that the paid-in capital  
25 of the surviving or new corporation immediately after the

1 merger or consolidation is greater than the sum of the  
2 paid-in capital of all of the merged or consolidated  
3 corporations as last reported by them in any documents,  
4 other than annual reports, required by this Act to be  
5 filed in the office of the Secretary of State; and in  
6 addition, the surviving or new corporation shall be liable  
7 for a further additional franchise tax on the paid-in  
8 capital of each of the merged or consolidated corporations  
9 as last reported by them in any document, other than an  
10 annual report, required by this Act to be filed with the  
11 Secretary of State from their taxable year end to the next  
12 succeeding anniversary month or, in the case of a  
13 corporation which has established an extended filing  
14 month, the extended filing month of the surviving or new  
15 corporation; however if the taxable year ends within the  
16 2-month period immediately preceding the anniversary month  
17 or, in the case of a corporation which has established an  
18 extended filing month, the extended filing month of the  
19 surviving or new corporation the tax will be computed to  
20 the anniversary month or, in the case of a corporation  
21 which has established an extended filing month, the  
22 extended filing month of the surviving or new corporation  
23 in the next succeeding calendar year.

24 (d) An annual franchise tax payable each year with the  
25 annual report which the corporation is required by this  
26 Act to file.

1           On or after January 1, 2020 and prior to January 1, 2021,  
2           the first \$30 in liability is exempt from the tax imposed under  
3           this Section. On or after January 1, 2021 and prior to January  
4           1, 2024, the first \$1,000 in liability is exempt from the tax  
5           imposed under this Section. On or after January 1, 2024, and  
6           before January 1, 2025, the first \$5,000 in liability is  
7           exempt from the tax imposed under this Section. On and after  
8           January 1, 2025, the first \$10,000 in liability is exempt from  
9           the tax imposed under this Section.

10          (Source: P.A. 102-282, eff. 1-1-22; 102-558, eff. 8-20-21;  
11          103-8, eff. 6-7-23.)

12           (805 ILCS 5/15.65) (from Ch. 32, par. 15.65)

13           Sec. 15.65. Franchise taxes payable by foreign  
14           corporations. For the privilege of exercising its authority to  
15           transact such business in this State as set out in its  
16           application therefor or any amendment thereto, each foreign  
17           corporation shall pay to the Secretary of State the following  
18           franchise taxes, computed on the basis, at the rates and for  
19           the periods prescribed in this Act:

20           (a) An initial franchise tax at the time of filing its  
21           application for authority to transact business in this  
22           State.

23           (b) An additional franchise tax at the time of filing  
24           (1) a report of the issuance of additional shares, or (2) a  
25           report of an increase in paid-in capital without the

1 issuance of shares, or (3) a report of cumulative changes  
2 in paid-in capital or a report of an exchange or  
3 reclassification of shares, whenever any such report  
4 discloses an increase in its paid-in capital over the  
5 amount thereof last reported in any document, other than  
6 an annual report, interim annual report or final  
7 transition annual report, required by this Act to be filed  
8 in the office of the Secretary of State.

9 (c) Whenever the corporation shall be a party to a  
10 statutory merger and shall be the surviving corporation,  
11 an additional franchise tax at the time of filing its  
12 report following merger, if such report discloses that the  
13 amount represented in this State of its paid-in capital  
14 immediately after the merger is greater than the aggregate  
15 of the amounts represented in this State of the paid-in  
16 capital of such of the merged corporations as were  
17 authorized to transact business in this State at the time  
18 of the merger, as last reported by them in any documents,  
19 other than annual reports, required by this Act to be  
20 filed in the office of the Secretary of State; and in  
21 addition, the surviving corporation shall be liable for a  
22 further additional franchise tax on the paid-in capital of  
23 each of the merged corporations as last reported by them  
24 in any document, other than an annual report, required by  
25 this Act to be filed with the Secretary of State, from  
26 their taxable year end to the next succeeding anniversary



1 month or, in the case of a corporation which has  
2 established an extended filing month, the extended filing  
3 month of the surviving corporation; however if the taxable  
4 year ends within the 2-month period immediately preceding  
5 the anniversary month or the extended filing month of the  
6 surviving corporation, the tax will be computed to the  
7 anniversary or, extended filing month of the surviving  
8 corporation in the next succeeding calendar year.

9 (d) An annual franchise tax payable each year with any  
10 annual report which the corporation is required by this  
11 Act to file.

12 On or after January 1, 2020 and prior to January 1, 2021,  
13 the first \$30 in liability is exempt from the tax imposed under  
14 this Section. On or after January 1, 2021 and before January 1,  
15 2024, the first \$1,000 in liability is exempt from the tax  
16 imposed under this Section. On and after January 1, 2024 and  
17 before January 1, 2025, the first \$5,000 in liability is  
18 exempt from the tax imposed under this Section. On and after  
19 January 1, 2025, the first \$10,000 in liability is exempt from  
20 the tax imposed under this Section.

21 (Source: P.A. 101-9, eff. 6-5-19; 102-16, eff. 6-17-21;  
22 102-558, eff. 8-20-21; 102-813, eff. 5-13-22.)

23 ARTICLE 120.

24 Section 120-5. The Sports Wagering Act is amended by

1 changing Section 25-90 as follows:

2 (230 ILCS 45/25-90)

3 Sec. 25-90. Tax; Sports Wagering Fund.

4 (a) For the privilege of holding a license to operate  
5 sports wagering under this Act until June 30, 2024, this State  
6 shall impose and collect 15% of a master sports wagering  
7 licensee's adjusted gross sports wagering receipts from sports  
8 wagering. The accrual method of accounting shall be used for  
9 purposes of calculating the amount of the tax owed by the  
10 licensee.

11 The taxes levied and collected pursuant to this subsection  
12 (a) are due and payable to the Board no later than the last day  
13 of the month following the calendar month in which the  
14 adjusted gross sports wagering receipts were received and the  
15 tax obligation was accrued.

16 (a-5) In addition to the tax imposed under subsection (a),  
17 (d), or (d-5) of this Section, for the privilege of holding a  
18 license to operate sports wagering under this Act, the State  
19 shall impose and collect 2% of the adjusted gross receipts  
20 from sports wagers that are placed within a home rule county  
21 with a population of over 3,000,000 inhabitants, which shall  
22 be paid, subject to appropriation from the General Assembly,  
23 from the Sports Wagering Fund to that home rule county for the  
24 purpose of enhancing the county's criminal justice system.

25 (b) The Sports Wagering Fund is hereby created as a

1 special fund in the State treasury. Except as otherwise  
2 provided in this Act, all moneys collected under this Act by  
3 the Board shall be deposited into the Sports Wagering Fund.  
4 Through August 25, 2024, on ~~On~~ the 25th of each month, any  
5 moneys remaining in the Sports Wagering Fund in excess of the  
6 anticipated monthly expenditures from the Fund through the  
7 next month, as certified by the Board to the State  
8 Comptroller, shall be transferred by the State Comptroller and  
9 the State Treasurer to the Capital Projects Fund. Beginning  
10 September 25, 2024, on the 25th of each month, of the moneys  
11 remaining in the Sports Wagering Fund in excess of the  
12 anticipated monthly expenditures from the Fund through the  
13 next month, as certified by the Board to the State  
14 Comptroller, the State Comptroller shall direct and the State  
15 Treasurer shall transfer 58% to the General Revenue Fund and  
16 42% to the Capital Projects Fund.

17 (c) Beginning with July 2021, and on a monthly basis  
18 thereafter, the Board shall certify to the State Comptroller  
19 the amount of license fees collected in the month for initial  
20 licenses issued under this Act, except for occupational  
21 licenses. As soon after certification as practicable, the  
22 State Comptroller shall direct and the State Treasurer shall  
23 transfer the certified amount from the Sports Wagering Fund to  
24 the Rebuild Illinois Projects Fund.

25 (d) Beginning on July 1, 2024, and for each 12-month  
26 period thereafter, for the privilege of holding a license to

1 operate sports wagering under this Act, this State shall  
2 impose a privilege tax on the master sports licensee's  
3 adjusted gross sports wagering receipts from sports wagering  
4 over the Internet or through a mobile application based on the  
5 following rates:

6 20% of annual adjusted gross sports wagering receipts  
7 up to and including \$30,000,000.

8 25% of annual adjusted gross sports wagering receipts  
9 in excess of \$30,000,000 but not exceeding \$50,000,000.

10 30% of annual adjusted gross sports wagering receipts  
11 in excess of \$50,000,000 but not exceeding \$100,000,000.

12 35% of annual adjusted gross sports wagering receipts  
13 in excess of \$100,000,000 but not exceeding \$200,000,000.

14 40% of annual adjusted gross sports wagering receipts  
15 in excess of \$200,000,000.

16 (d-5) Beginning on July 1, 2024, and for each 12-month  
17 period thereafter, for the privilege of holding a license to  
18 operate sports wagering under this Act, this State shall  
19 impose a privilege tax on the master sports licensee's  
20 adjusted gross sports wagering receipts from sports wagering  
21 from other than over the Internet or through a mobile  
22 application based on the following rates:

23 20% of annual adjusted gross sports wagering receipts  
24 up to and including \$30,000,000.

25 25% of annual adjusted gross sports wagering receipts  
26 in excess of \$30,000,000 but not exceeding \$50,000,000.

1           30% of annual adjusted gross sports wagering receipts  
2           in excess of \$50,000,000 but not exceeding \$100,000,000.

3           35% of annual adjusted gross sports wagering receipts  
4           in excess of \$100,000,000 but not exceeding \$200,000,000.

5           40% of annual adjusted gross sports wagering receipts  
6           in excess of \$200,000,000.

7           (d-10) The accrual method of accounting shall be used for  
8           purposes of calculating the amount of the tax owed by the  
9           licensee.

10           (d-15) The taxes levied and collected pursuant to  
11           subsections (d) and (d-5) are due and payable to the Board no  
12           later than the last day of the month following the calendar  
13           month in which the adjusted gross sports wagering receipts  
14           were received and the tax obligation was accrued.

15           (e) Annually, a master sports wagering licensee shall  
16           transmit to the Board an audit of the financial transactions  
17           and condition of the licensee's total operations.  
18           Additionally, within 90 days after the end of each quarter of  
19           each fiscal year, the master sports wagering licensee shall  
20           transmit to the Board a compliance report on engagement  
21           procedures determined by the Board. All audits and compliance  
22           engagements shall be conducted by certified public accountants  
23           selected by the Board. Each certified public accountant must  
24           be registered in the State of Illinois under the Illinois  
25           Public Accounting Act. The compensation for each certified  
26           public accountant shall be paid directly by the master sports

1 wagering licensee to the certified public accountant.

2 (Source: P.A. 101-31, eff. 6-28-19; 102-16, eff. 6-17-21;  
3 102-687, eff. 12-17-21.)

4 ARTICLE 130.

5 Section 130-5. The Video Gaming Act is amended by changing  
6 Section 60 as follows:

7 (230 ILCS 40/60)

8 Sec. 60. Imposition and distribution of tax.

9 (a) A tax of 30% is imposed on net terminal income and  
10 shall be collected by the Board.

11 Of the tax collected under this subsection (a),  
12 five-sixths shall be deposited into the Capital Projects Fund  
13 and one-sixth shall be deposited into the Local Government  
14 Video Gaming Distributive Fund.

15 (b) Beginning on July 1, 2019, an additional tax of 3% is  
16 imposed on net terminal income and shall be collected by the  
17 Board.

18 Beginning on July 1, 2020, an additional tax of 1% is  
19 imposed on net terminal income and shall be collected by the  
20 Board.

21 Beginning on July 1, 2024, an additional tax of 1% is  
22 imposed on net terminal income and shall be collected by the  
23 Board.

1           The tax collected under this subsection (b) shall be  
2 deposited into the Capital Projects Fund.

3           (c) Revenues generated from the play of video gaming  
4 terminals shall be deposited by the terminal operator, who is  
5 responsible for tax payments, in a specially created, separate  
6 bank account maintained by the video gaming terminal operator  
7 to allow for electronic fund transfers of moneys for tax  
8 payment.

9           (d) Each licensed establishment, licensed truck stop  
10 establishment, licensed large truck stop establishment,  
11 licensed fraternal establishment, and licensed veterans  
12 establishment shall maintain an adequate video gaming fund,  
13 with the amount to be determined by the Board.

14           (e) The State's percentage of net terminal income shall be  
15 reported and remitted to the Board within 15 days after the  
16 15th day of each month and within 15 days after the end of each  
17 month by the video terminal operator. A video terminal  
18 operator who falsely reports or fails to report the amount due  
19 required by this Section is guilty of a Class 4 felony and is  
20 subject to termination of his or her license by the Board. Each  
21 video terminal operator shall keep a record of net terminal  
22 income in such form as the Board may require. All payments not  
23 remitted when due shall be paid together with a penalty  
24 assessment on the unpaid balance at a rate of 1.5% per month.

25           (Source: P.A. 101-31, eff. 6-28-19.)

## 1 ARTICLE 135.

2 Section 135-5. The Property Tax Code is amended by  
3 changing Section 15-170 as follows:

4 (35 ILCS 200/15-170)

5 Sec. 15-170. Senior citizens homestead exemption.

6 (a) An annual homestead exemption limited, except as  
7 described here with relation to cooperatives or life care  
8 facilities, to a maximum reduction set forth below from the  
9 property's value, as equalized or assessed by the Department,  
10 is granted for property that is occupied as a residence by a  
11 person 65 years of age or older who is liable for paying real  
12 estate taxes on the property and is an owner of record of the  
13 property or has a legal or equitable interest therein as  
14 evidenced by a written instrument, except for a leasehold  
15 interest, other than a leasehold interest of land on which a  
16 single family residence is located, which is occupied as a  
17 residence by a person 65 years or older who has an ownership  
18 interest therein, legal, equitable or as a lessee, and on  
19 which he or she is liable for the payment of property taxes.  
20 Before taxable year 2004, the maximum reduction shall be  
21 \$2,500 in counties with 3,000,000 or more inhabitants and  
22 \$2,000 in all other counties. For taxable years 2004 through  
23 2005, the maximum reduction shall be \$3,000 in all counties.  
24 For taxable years 2006 and 2007, the maximum reduction shall



1 be \$3,500. For taxable years 2008 through 2011, the maximum  
2 reduction is \$4,000 in all counties. For taxable year 2012,  
3 the maximum reduction is \$5,000 in counties with 3,000,000 or  
4 more inhabitants and \$4,000 in all other counties. For taxable  
5 years 2013 through 2016, the maximum reduction is \$5,000 in  
6 all counties. For taxable years 2017 through 2022, the maximum  
7 reduction is \$8,000 in counties with 3,000,000 or more  
8 inhabitants and \$5,000 in all other counties. For taxable  
9 years 2023 and thereafter, the maximum reduction is \$8,000 in  
10 counties with 3,000,000 or more inhabitants and counties that  
11 are contiguous to a county of 3,000,000 or more inhabitants  
12 and \$5,000 in all other counties.

13 (b) For land improved with an apartment building owned and  
14 operated as a cooperative, the maximum reduction from the  
15 value of the property, as equalized by the Department, shall  
16 be multiplied by the number of apartments or units occupied by  
17 a person 65 years of age or older who is liable, by contract  
18 with the owner or owners of record, for paying property taxes  
19 on the property and is an owner of record of a legal or  
20 equitable interest in the cooperative apartment building,  
21 other than a leasehold interest. For land improved with a life  
22 care facility, the maximum reduction from the value of the  
23 property, as equalized by the Department, shall be multiplied  
24 by the number of apartments or units occupied by persons 65  
25 years of age or older, irrespective of any legal, equitable,  
26 or leasehold interest in the facility, who are liable, under a

1 contract with the owner or owners of record of the facility,  
2 for paying property taxes on the property. In a cooperative or  
3 a life care facility where a homestead exemption has been  
4 granted, the cooperative association or the management firm of  
5 the cooperative or facility shall credit the savings resulting  
6 from that exemption only to the apportioned tax liability of  
7 the owner or resident who qualified for the exemption. Any  
8 person who willfully refuses to so credit the savings shall be  
9 guilty of a Class B misdemeanor. Under this Section and  
10 Sections 15-175, 15-176, and 15-177, "life care facility"  
11 means a facility, as defined in Section 2 of the Life Care  
12 Facilities Act, with which the applicant for the homestead  
13 exemption has a life care contract as defined in that Act.

14 (c) When a homestead exemption has been granted under this  
15 Section and the person qualifying subsequently becomes a  
16 resident of a facility licensed under the Assisted Living and  
17 Shared Housing Act, the Nursing Home Care Act, the Specialized  
18 Mental Health Rehabilitation Act of 2013, the ID/DD Community  
19 Care Act, or the MC/DD Act, the exemption shall continue so  
20 long as the residence continues to be occupied by the  
21 qualifying person's spouse if the spouse is 65 years of age or  
22 older, or if the residence remains unoccupied but is still  
23 owned by the person qualified for the homestead exemption.

24 (d) A person who will be 65 years of age during the current  
25 assessment year shall be eligible to apply for the homestead  
26 exemption during that assessment year. Application shall be

1 made during the application period in effect for the county of  
2 his residence.

3 (e) Beginning with assessment year 2003, for taxes payable  
4 in 2004, property that is first occupied as a residence after  
5 January 1 of any assessment year by a person who is eligible  
6 for the senior citizens homestead exemption under this Section  
7 must be granted a pro-rata exemption for the assessment year.  
8 The amount of the pro-rata exemption is the exemption allowed  
9 in the county under this Section divided by 365 and multiplied  
10 by the number of days during the assessment year the property  
11 is occupied as a residence by a person eligible for the  
12 exemption under this Section. The chief county assessment  
13 officer must adopt reasonable procedures to establish  
14 eligibility for this pro-rata exemption.

15 (f) The assessor or chief county assessment officer may  
16 determine the eligibility of a life care facility to receive  
17 the benefits provided by this Section, by affidavit,  
18 application, visual inspection, questionnaire or other  
19 reasonable methods in order to ensure ~~insure~~ that the tax  
20 savings resulting from the exemption are credited by the  
21 management firm to the apportioned tax liability of each  
22 qualifying resident. The assessor may request reasonable proof  
23 that the management firm has so credited the exemption.

24 (g) The chief county assessment officer of each county  
25 with less than 3,000,000 inhabitants shall provide to each  
26 person allowed a homestead exemption under this Section a form

1 to designate any other person to receive a duplicate of any  
2 notice of delinquency in the payment of taxes assessed and  
3 levied under this Code on the property of the person receiving  
4 the exemption. The duplicate notice shall be in addition to  
5 the notice required to be provided to the person receiving the  
6 exemption, and shall be given in the manner required by this  
7 Code. The person filing the request for the duplicate notice  
8 shall pay a fee of \$5 to cover administrative costs to the  
9 supervisor of assessments, who shall then file the executed  
10 designation with the county collector. Notwithstanding any  
11 other provision of this Code to the contrary, the filing of  
12 such an executed designation requires the county collector to  
13 provide duplicate notices as indicated by the designation. A  
14 designation may be rescinded by the person who executed such  
15 designation at any time, in the manner and form required by the  
16 chief county assessment officer.

17 (h) The assessor or chief county assessment officer may  
18 determine the eligibility of residential property to receive  
19 the homestead exemption provided by this Section by  
20 application, visual inspection, questionnaire or other  
21 reasonable methods. The determination shall be made in  
22 accordance with guidelines established by the Department.

23 (i) In counties with 3,000,000 or more inhabitants, for  
24 taxable years 2010 through 2018, ~~and beginning again in~~  
25 ~~taxable year 2024,~~ each taxpayer who has been granted an  
26 exemption under this Section must reapply on an annual basis.

1           If a reapplication is required, then the chief county  
2 assessment officer shall mail the application to the taxpayer  
3 at least 60 days prior to the last day of the application  
4 period for the county.

5           For taxable years 2019 and thereafter ~~through 2023~~, in  
6 counties with 3,000,000 or more inhabitants, a taxpayer who  
7 has been granted an exemption under this Section need not  
8 reapply. However, if the property ceases to be qualified for  
9 the exemption under this Section in any year for which a  
10 reapplication is not required under this Section, then the  
11 owner of record of the property shall notify the chief county  
12 assessment officer that the property is no longer qualified.  
13 In addition, for taxable years 2019 and thereafter ~~through~~  
14 ~~2023~~, the chief county assessment officer of a county with  
15 3,000,000 or more inhabitants shall enter into an  
16 intergovernmental agreement with the county clerk of that  
17 county and the Department of Public Health, as well as any  
18 other appropriate governmental agency, to obtain information  
19 that documents the death of a taxpayer who has been granted an  
20 exemption under this Section. Notwithstanding any other  
21 provision of law, the county clerk and the Department of  
22 Public Health shall provide that information to the chief  
23 county assessment officer. The Department of Public Health  
24 shall supply this information no less frequently than every  
25 calendar quarter. Information concerning the death of a  
26 taxpayer may be shared with the county treasurer. The chief

1 county assessment officer shall also enter into a data  
2 exchange agreement with the Social Security Administration or  
3 its agent to obtain access to the information regarding deaths  
4 in possession of the Social Security Administration. The chief  
5 county assessment officer shall, subject to the notice  
6 requirements under subsection (m) of Section 9-275, terminate  
7 the exemption under this Section if the information obtained  
8 indicates that the property is no longer qualified for the  
9 exemption. In counties with 3,000,000 or more inhabitants, the  
10 assessor and the county clerk ~~recorder of deeds~~ shall  
11 establish policies and practices for the regular exchange of  
12 information for the purpose of alerting the assessor whenever  
13 the transfer of ownership of any property receiving an  
14 exemption under this Section has occurred. When such a  
15 transfer occurs, the assessor shall mail a notice to the new  
16 owner of the property (i) informing the new owner that the  
17 exemption will remain in place through the year of the  
18 transfer, after which it will be canceled, and (ii) providing  
19 information pertaining to the rules for reapplying for the  
20 exemption if the owner qualifies. In counties with 3,000,000  
21 or more inhabitants, the chief county assessment official  
22 shall conduct, by no later than December 31 of the first year  
23 of each reassessment cycle, as determined by Section 9-220, a  
24 review ~~audits~~ of all exemptions granted under this Section for  
25 the preceding reassessment cycle under this Section ~~no later~~  
26 ~~than December 31, 2022 and no later than December 31, 2024.~~ The

1 review ~~audit~~ shall be designed to ascertain whether any senior  
2 homestead exemptions have been granted erroneously. If it is  
3 determined that a senior homestead exemption has been  
4 erroneously applied to a property, the chief county assessment  
5 officer shall make use of the appropriate provisions of  
6 Section 9-275 in relation to the property that received the  
7 erroneous homestead exemption.

8 (j) In counties with less than 3,000,000 inhabitants, the  
9 county board may by resolution provide that if a person has  
10 been granted a homestead exemption under this Section, the  
11 person qualifying need not reapply for the exemption. In  
12 counties in which the county board passes such a resolution,  
13 the chief county assessment official shall, prior to the  
14 submission of the final abstract for the first year of each  
15 reassessment cycle, as determined by Section 9-215, review all  
16 exemptions granted for the preceding reassessment cycle under  
17 this Section. The review shall be designed to ascertain  
18 whether any senior homestead exemptions have been granted  
19 erroneously.

20 In counties with less than 3,000,000 inhabitants, if the  
21 assessor or chief county assessment officer requires annual  
22 application for verification of eligibility for an exemption  
23 once granted under this Section, the application shall be  
24 mailed to the taxpayer.

25 (l) The assessor or chief county assessment officer shall  
26 notify each person who qualifies for an exemption under this

1 Section that the person may also qualify for deferral of real  
2 estate taxes under the Senior Citizens Real Estate Tax  
3 Deferral Act. The notice shall set forth the qualifications  
4 needed for deferral of real estate taxes, the address and  
5 telephone number of county collector, and a statement that  
6 applications for deferral of real estate taxes may be obtained  
7 from the county collector.

8 (m) Notwithstanding Sections 6 and 8 of the State Mandates  
9 Act, no reimbursement by the State is required for the  
10 implementation of any mandate created by this Section.

11 (Source: P.A. 101-453, eff. 8-23-19; 101-622, eff. 1-14-20;  
12 102-895, eff. 5-23-22.)

13 ARTICLE 140.

14 Section 140-5. The Property Tax Code is amended by  
15 changing Sections 10-40 and 10-50 as follows:

16 (35 ILCS 200/10-40)

17 Sec. 10-40. Historic Residence Assessment Freeze Law;  
18 definitions. This Section and Sections 10-45 through 10-85 may  
19 be cited as the Historic Residence Assessment Freeze Law. As  
20 used in this Section and Sections 10-45 through 10-85:

21 (a) "Director" means the Director of Historic  
22 Preservation.

23 (b) "Approved county or municipal landmark ordinance"



1 means a county or municipal ordinance approved by the  
2 Director.

3 (c) "Historic building" means an owner-occupied single  
4 family residence or an owner-occupied multi-family  
5 residence and the tract, lot or parcel upon which it is  
6 located, or a building or buildings owned and operated as  
7 a cooperative, if:

8 (1) individually listed on the National Register  
9 of Historic Places or the Illinois Register of  
10 Historic Places;

11 (2) individually designated pursuant to an  
12 approved county or municipal landmark ordinance; or

13 (3) within a district listed on the National  
14 Register of Historic Places or designated pursuant to  
15 an approved county or municipal landmark ordinance, if  
16 the Director determines that the building is of  
17 historic significance to the district in which it is  
18 located.

19 Historic building does not mean an individual unit of a  
20 cooperative.

21 (d) "Assessment officer" means the chief county  
22 assessment officer.

23 (e) "Certificate of rehabilitation" means the  
24 certificate issued by the Director upon the renovation,  
25 restoration, preservation or rehabilitation of an historic  
26 building under this Code.

1 (f) "Rehabilitation period" means the period of time  
2 necessary to renovate, restore, preserve or rehabilitate  
3 an historic building as determined by the Director.

4 (g) "Standards for rehabilitation" means the Secretary  
5 of Interior's standards for rehabilitation as promulgated  
6 by the U.S. Department of the Interior.

7 (h) "Fair cash value" means the fair cash value of the  
8 historic building, as finally determined for that year by  
9 the assessment officer, board of review, Property Tax  
10 Appeal Board, or court ~~on the basis of the assessment~~  
11 ~~officer's property record card~~, representing the value of  
12 the property prior to the commencement of rehabilitation  
13 without consideration of any reduction reflecting value  
14 during the rehabilitation work. The changes made to this  
15 Section by this amendatory Act of the 103rd General  
16 Assembly are declarative of existing law and shall not be  
17 construed as a new enactment.

18 (i) "Base year valuation" means the fair cash value of  
19 the historic building for the year in which the  
20 rehabilitation period begins but prior to the commencement  
21 of the rehabilitation and does not include any reduction  
22 in value during the rehabilitation work.

23 (j) "Adjustment in value" means the difference for any  
24 year between the then current fair cash value and the base  
25 year valuation.

26 (k) "Eight-year valuation period" means the 8 years

1 from the date of the issuance of the certificate of  
2 rehabilitation.

3 (l) "Adjustment valuation period" means the 4 years  
4 following the 8 year valuation period.

5 (m) "Substantial rehabilitation" means interior or  
6 exterior rehabilitation work that preserves the historic  
7 building in a manner that significantly improves its  
8 condition.

9 (n) "Approved local government" means a local  
10 government that has been certified by the Director as:

11 (1) enforcing appropriate legislation for the  
12 designation of historic buildings;

13 (2) having established an adequate and qualified  
14 historic review commission;

15 (3) maintaining a system for the survey and  
16 inventory of historic properties;

17 (4) providing for adequate public participation in  
18 the local historic preservation program; and

19 (5) maintaining a system for reviewing  
20 applications under this Section in accordance with  
21 rules and regulations promulgated by the Director.

22 (o) "Cooperative" means a building or buildings and  
23 the tract, lot, or parcel on which the building or  
24 buildings are located, if the building or buildings are  
25 devoted to residential uses by the owners and fee title to  
26 the land and building or buildings is owned by a

1 corporation or other legal entity in which the  
2 shareholders or other co-owners each also have a long-term  
3 proprietary lease or other long-term arrangement of  
4 exclusive possession for a specific unit of occupancy  
5 space located within the same building or buildings.

6 (p) "Owner", in the case of a cooperative, means the  
7 Association.

8 (q) "Association", in the case of a cooperative, means  
9 the entity responsible for the administration of a  
10 cooperative, which entity may be incorporated or  
11 unincorporated, profit or nonprofit.

12 (r) "Owner-occupied single family residence" means a  
13 residence in which the title holder of record (i) holds  
14 fee simple ownership and (ii) occupies the property as  
15 his, her, or their principal residence.

16 (s) "Owner-occupied multi-family residence" means  
17 residential property comprised of not more than 6 living  
18 units in which the title holder of record (i) holds fee  
19 simple ownership and (ii) occupies one unit as his, her,  
20 or their principal residence. The remaining units may be  
21 leased.

22 The changes made to this Section by this amendatory Act of  
23 the 91st General Assembly are declarative of existing law and  
24 shall not be construed as a new enactment.

25 (Source: P.A. 90-114, eff. 1-1-98; 91-806, eff. 1-1-01.)

1 (35 ILCS 200/10-50)

2 Sec. 10-50. Valuation after 8 year valuation period.

3 (a) For the 4 years after the expiration of the 8-year  
4 valuation period, the valuation for purposes of computing the  
5 assessed valuation shall not exceed the following ~~be as~~  
6 ~~follows:~~

7 For the first year, the base year valuation plus 25%  
8 of the adjustment in value.

9 For the second year, the base year valuation plus 50%  
10 of the adjustment in value.

11 For the third year, the base year valuation plus 75%  
12 of the adjustment in value.

13 For the fourth year, the then current fair cash value.

14 (b) If the current fair cash value during the adjustment  
15 valuation period is less than the base year valuation with the  
16 applicable adjustment, the assessment shall be based on the  
17 current fair cash value. The changes made to this Section by  
18 this amendatory Act of the 103rd General Assembly are  
19 declarative of existing law and shall not be construed as a new  
20 enactment.

21 (Source: P.A. 82-1023; 88-455.)

22 ARTICLE 145.

23 Section 145-5. The Property Tax Code is amended by  
24 changing Section 15-40 as follows:

1 (35 ILCS 200/15-40)

2 Sec. 15-40. Religious purposes, orphanages, or school and  
3 religious purposes.

4 (a) Property used exclusively for:

5 (1) religious purposes, or

6 (2) school and religious purposes, or

7 (3) orphanages

8 qualifies for exemption as long as it is not used with a view  
9 to profit.

10 (b) Property that is owned by

11 (1) churches or

12 (2) religious institutions or

13 (3) religious denominations

14 and that is used in conjunction therewith as housing  
15 facilities provided for ministers (including bishops, district  
16 superintendents and similar church officials whose ministerial  
17 duties are not limited to a single congregation), their  
18 spouses, children and domestic workers, performing the duties  
19 of their vocation as ministers at such churches or religious  
20 institutions or for such religious denominations, including  
21 the convents and monasteries where persons engaged in  
22 religious activities reside also qualifies for exemption.

23 A parsonage, convent or monastery or other housing  
24 facility shall be considered under this Section to be  
25 exclusively used for religious purposes when the persons who

1 perform religious related activities shall, as a condition of  
2 their employment or association, reside in the facility.

3 (c) In Cook County, whenever any interest in a property  
4 exempt under this Section is transferred, notice of that  
5 transfer must be filed with the county clerk ~~recorder~~. The  
6 chief county assessment officer shall prepare and make  
7 available a form notice for this purpose. Whenever a notice is  
8 filed, the county clerk ~~recorder~~ shall transmit a copy of that  
9 recorded notice to the chief county assessment officer within  
10 14 days after receipt.

11 (Source: P.A. 92-333, eff. 8-10-01.)

12 ARTICLE 150.

13 Section 150-1. Short title. This Act may be cited as the  
14 Interchange Fee Prohibition Act. References in this Article to  
15 "this Act" mean this Article.

16 Section 150-5. Definitions. As used in this Act:

17 "Acquirer bank" means a member of a payment card network  
18 that contracts with a merchant for the settlement of  
19 electronic payment transactions. An acquirer bank may contract  
20 directly with merchants or indirectly through a processor to  
21 process electronic payment transactions.

22 "Authorization" means the process through which a merchant  
23 requests approval for an electronic payment transaction from

1 the issuer.

2 "Clearance" means the process of transmitting final  
3 transaction data from a merchant to an issuer for posting to  
4 the cardholder's account and the calculation of fees and  
5 charges, including interchange fees, that apply to the issuer  
6 and the merchant.

7 "Credit card" means a card, plate, coupon book, or other  
8 credit device existing for the purpose of obtaining money,  
9 property, labor, or services on credit.

10 "Debit card" means a card or other payment code or device  
11 issued or approved for use through a payment card network to  
12 debit an asset account, regardless of the purpose for which  
13 the account is established, whether authorization is based on  
14 a signature, a personal identification number, or other means.  
15 "Debit card" includes a general use prepaid card, as defined  
16 in 15 U.S.C. 16931-1. "Debit card" does not include paper  
17 checks.

18 "Electronic payment transaction" means a transaction in  
19 which a person uses a debit card, a credit card, or other  
20 payment code or device issued or approved through a payment  
21 card network to debit a deposit account or use a line of  
22 credit, whether authorization is based on a signature, a  
23 personal identification number, or other means.

24 "Gratuity" means a voluntary monetary contribution to an  
25 employee from a guest, patron, or customer in connection with  
26 services rendered.



1 "Interchange fee" means a fee established, charged, or  
2 received by a payment card network for the purpose of  
3 compensating the issuer for its involvement in an electronic  
4 payment transaction.

5 "Issuer" means a person issuing a debit card or credit  
6 card or the issuer's agent.

7 "Merchant" means a person that collects and remits a tax.

8 "Payment card network" means an entity that:

9 (1) directly or through licensed members, processors,  
10 or agents, provides the proprietary services,  
11 infrastructure, and software to route information and data  
12 for the purpose of conducting electronic payment  
13 transaction authorization, clearance, and settlement; and

14 (2) a merchant uses to accept as a form of payment a  
15 brand of debit card, credit card, or other device that may  
16 be used to carry out electronic payment transactions.

17 "Person" means any individual, firm, public or private  
18 corporation, government, partnership, association, or any  
19 other organization or entity.

20 "Processor" means an entity that facilitates, services,  
21 processes, or manages the debit or credit authorization,  
22 billing, transfer, payment procedures, or settlement with  
23 respect to any electronic payment transaction.

24 "Settlement" means the process of transmitting sales  
25 information to the issuing bank for collection and  
26 reimbursement of funds to the merchant and calculating and

1 reporting the net transaction amount to the issuer and  
2 merchant for an electronic payment transaction that is  
3 cleared.

4 "Tax" means any use and occupation tax or excise tax  
5 imposed by the State or a unit of local government in the  
6 State.

7 "Tax documentation" means documentation sufficient for the  
8 payment card network to determine the total amount of the  
9 electronic payment transaction and the tax or gratuity amount  
10 of the transaction. Tax documentation may be related to a  
11 single electronic payment transaction or multiple electronic  
12 payment transactions aggregated over a period of time.  
13 Examples of tax documentation include, but are not limited to,  
14 invoices, receipts, journals, ledgers, and tax returns filed  
15 with the Department of Revenue or local taxing authorities.

16 Section 150-10. Interchange fees on taxes prohibited.

17 (a) An issuer, a payment card network, an acquirer bank,  
18 or a processor may not receive or charge a merchant any  
19 interchange fee on the tax amount or gratuity of an electronic  
20 payment transaction if the merchant informs the acquirer bank  
21 or its designee of the tax or gratuity amount as part of the  
22 authorization or settlement process for the electronic payment  
23 transaction. The merchant must transmit the tax or gratuity  
24 amount data as part of the authorization or settlement process  
25 to avoid being charged interchange fees on the tax or gratuity

1 amount of an electronic payment transaction.

2 (b) A merchant that does not transmit the tax or gratuity  
3 amount data in accordance with this Section may submit tax  
4 documentation for the electronic payment transaction to the  
5 acquirer bank or its designee no later than 180 days after the  
6 date of the electronic payment transaction, and, within 30  
7 days after the merchant submits the necessary tax  
8 documentation, the issuer must credit to the merchant the  
9 amount of interchange fees charged on the tax or gratuity  
10 amount of the electronic payment transaction.

11 (c) This Section does not create liability for a payment  
12 card network regarding the accuracy of the tax or gratuity  
13 data reported by the merchant.

14 (d) It shall be unlawful for an issuer, a payment card  
15 network, an acquirer bank, or a processor to alter or  
16 manipulate the computation and imposition of interchange fees  
17 by increasing the rate or amount of the fees applicable to or  
18 imposed upon the portion of a credit or debit card transaction  
19 not attributable to taxes or other fees charged to the  
20 retailer to circumvent the effect of this Section.

21 Section 150-15. Penalties.

22 (a) An issuer, a payment card network, an acquirer bank, a  
23 processor, or other designated entity that has received the  
24 tax or gratuity amount data and violates Section 150-10 is  
25 subject to a civil penalty of \$1,000 per electronic payment

1 transaction, and the issuer must refund the merchant the  
2 interchange fee calculated on the tax or gratuity amount  
3 relative to the electronic payment transaction.

4 (b) An entity, other than the merchant, involved in  
5 facilitating or processing an electronic payment transaction,  
6 including, but not limited to, an issuer, a payment card  
7 network, an acquirer bank, a processor, or other designated  
8 entity, may not distribute, exchange, transfer, disseminate,  
9 or use the electronic payment transaction data except to  
10 facilitate or process the electronic payment transaction or as  
11 required by law. A violation of this subsection constitutes a  
12 violation of the Consumer Fraud and Deceptive Business  
13 Practices Act.

14 Section 150-95. Severability. The provisions of this Act  
15 are severable under Section 1.31 of the Statute on Statutes.

16 ARTICLE 155.

17 Section 155-5. The Property Tax Code is amended by  
18 changing Sections 9-45 and 11-15 as follows:

19 (35 ILCS 200/9-45)

20 Sec. 9-45. Property index number system. The county clerk  
21 in counties of 3,000,000 or more inhabitants and, subject to  
22 the approval of the county board, the chief county assessment

1 officer or recorder, in counties of less than 3,000,000  
2 inhabitants, may establish a property index number system  
3 under which property may be listed for purposes of assessment,  
4 collection of taxes or automation of the office of the  
5 recorder. The system may be adopted in addition to, or instead  
6 of, the method of listing by legal description as provided in  
7 Section 9-40. The system shall describe property by township,  
8 section, block, and parcel or lot, and may cross-reference the  
9 street or post office address, if any, and street code number,  
10 if any. The county clerk, county treasurer, chief county  
11 assessment officer or recorder may establish and maintain  
12 cross indexes of numbers assigned under the system with the  
13 complete legal description of the properties to which the  
14 numbers relate. Index numbers shall be assigned by the county  
15 clerk in counties of 3,000,000 or more inhabitants, and, at  
16 the direction of the county board in counties with less than  
17 3,000,000 inhabitants, shall be assigned by the chief county  
18 assessment officer or recorder. Tax maps of the county clerk,  
19 county treasurer or chief county assessment officer shall  
20 carry those numbers. The indexes shall be open to public  
21 inspection and be made available to the public. Any property  
22 index number system established prior to the effective date of  
23 this Code shall remain valid. However, in counties with less  
24 than 3,000,000 inhabitants, the system may be transferred to  
25 another authority upon the approval of the county board.

26 Any real property used for a power generating or

1 automotive manufacturing facility located within a county of  
2 less than 1,000,000 inhabitants, as to which litigation with  
3 respect to its assessed valuation is pending or was pending as  
4 of January 1, 1993, may be the subject of a real property tax  
5 assessment settlement agreement among the taxpayer and taxing  
6 districts in which it is situated. In addition, any real  
7 property that is located in a county with fewer than 1,000,000  
8 inhabitants and (i) is used for natural gas extraction and  
9 fractionation or olefin and polymer manufacturing or (ii) is  
10 used for a petroleum refinery and (ii) located within a county  
11 ~~of less than 1,000,000 inhabitants~~ may be the subject of a real  
12 property tax assessment settlement agreement among the  
13 taxpayer and taxing districts in which the property is  
14 situated if litigation is or was pending as to its assessed  
15 valuation as of January 1, 2003 or thereafter. Other  
16 appropriate authorities, which may include county and State  
17 boards or officials, may also be parties to such agreements.  
18 Such agreements may include the assessment of the facility or  
19 property for any years in dispute as well as for up to 10 years  
20 in the future. Such agreements may provide for the settlement  
21 of issues relating to the assessed value of the facility and  
22 may provide for related payments, refunds, claims, credits  
23 against taxes and liabilities in respect to past and future  
24 taxes of taxing districts, including any fund created under  
25 Section 20-35 of this Act, all implementing the settlement  
26 agreement. Any such agreement may provide that parties thereto

1 agree not to challenge assessments as provided in the  
2 agreement. An agreement entered into on or after January 1,  
3 1993 may provide for the classification of property that is  
4 the subject of the agreement as real or personal during the  
5 term of the agreement and thereafter. It may also provide that  
6 taxing districts agree to reimburse the taxpayer for amounts  
7 paid by the taxpayer in respect to taxes for the real property  
8 which is the subject of the agreement to the extent levied by  
9 those respective districts, over and above amounts which would  
10 be due if the facility were to be assessed as provided in the  
11 agreement. Such reimbursement may be provided in the agreement  
12 to be made by credit against taxes of the taxpayer. No credits  
13 shall be applied against taxes levied with respect to debt  
14 service or lease payments of a taxing district. No referendum  
15 approval or appropriation shall be required for such an  
16 agreement or such credits and any such obligation shall not  
17 constitute indebtedness of the taxing district for purposes of  
18 any statutory limitation. The county collector shall treat  
19 credited amounts as if they had been received by the collector  
20 as taxes paid by the taxpayer and as if remitted to the  
21 district. A county treasurer who is a party to such an  
22 agreement may agree to hold amounts paid in escrow as provided  
23 in the agreement for possible use for paying taxes until  
24 conditions of the agreement are met and then to apply these  
25 amounts as provided in the agreement. No such settlement  
26 agreement shall be effective unless it shall have been

1 approved by the court in which such litigation is pending. Any  
2 such agreement which has been entered into prior to adoption  
3 of this amendatory Act of 1988 and which is contingent upon  
4 enactment of authorizing legislation shall be binding and  
5 enforceable.

6 (Source: P.A. 96-609, eff. 8-24-09.)

7 (35 ILCS 200/11-15)

8 Sec. 11-15. Method of valuation for pollution control  
9 facilities. To determine ~~33 1/3%~~ of the fair cash value of any  
10 certified pollution control facility ~~facilities in assessing~~  
11 ~~those facilities,~~ the Department shall determine ~~take into~~  
12 ~~consideration the actual or probable net earnings attributable~~  
13 ~~to the facilities in question, capitalized on the basis of~~  
14 ~~their productive earning value to their owner;~~ the probable  
15 net value that ~~which~~ could be realized by its ~~their~~ owner if  
16 the facility ~~facilities~~ were removed and sold at a fair,  
17 voluntary sale, giving due account to the expense of removal  
18 and condition of the particular facility ~~facilities~~ in  
19 question; ~~and other information as the Department may consider~~  
20 ~~as bearing on the fair cash value of the facilities to their~~  
21 ~~owner, consistent with the principles set forth in this~~  
22 ~~Section. For the purposes of this Code, earnings shall be~~  
23 ~~attributed to a pollution control facility only to the extent~~  
24 ~~that its operation results in the production of a commercially~~  
25 ~~saleable by product or increases the production or reduces the~~



1 ~~production costs of the products or services otherwise sold by~~  
2 ~~the owner of such facility.~~ The assessed value of the facility  
3 shall be 33/1/3% of the fair cash value of the facility.

4 (Source: P.A. 83-121; 88-455.)

5 ARTICLE 160.

6 Section 160-5. The Illinois Gambling Act is amended by  
7 changing Section 13 as follows:

8 (230 ILCS 10/13) (from Ch. 120, par. 2413)

9 Sec. 13. Wagering tax; rate; distribution.

10 (a) Until January 1, 1998, a tax is imposed on the adjusted  
11 gross receipts received from gambling games authorized under  
12 this Act at the rate of 20%.

13 (a-1) From January 1, 1998 until July 1, 2002, a privilege  
14 tax is imposed on persons engaged in the business of  
15 conducting riverboat gambling operations, based on the  
16 adjusted gross receipts received by a licensed owner from  
17 gambling games authorized under this Act at the following  
18 rates:

19 15% of annual adjusted gross receipts up to and  
20 including \$25,000,000;

21 20% of annual adjusted gross receipts in excess of  
22 \$25,000,000 but not exceeding \$50,000,000;

23 25% of annual adjusted gross receipts in excess of

1           \$50,000,000 but not exceeding \$75,000,000;  
2           30% of annual adjusted gross receipts in excess of  
3           \$75,000,000 but not exceeding \$100,000,000;  
4           35% of annual adjusted gross receipts in excess of  
5           \$100,000,000.

6           (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
7 is imposed on persons engaged in the business of conducting  
8 riverboat gambling operations, other than licensed managers  
9 conducting riverboat gambling operations on behalf of the  
10 State, based on the adjusted gross receipts received by a  
11 licensed owner from gambling games authorized under this Act  
12 at the following rates:

13           15% of annual adjusted gross receipts up to and  
14 including \$25,000,000;

15           22.5% of annual adjusted gross receipts in excess of  
16 \$25,000,000 but not exceeding \$50,000,000;

17           27.5% of annual adjusted gross receipts in excess of  
18 \$50,000,000 but not exceeding \$75,000,000;

19           32.5% of annual adjusted gross receipts in excess of  
20 \$75,000,000 but not exceeding \$100,000,000;

21           37.5% of annual adjusted gross receipts in excess of  
22 \$100,000,000 but not exceeding \$150,000,000;

23           45% of annual adjusted gross receipts in excess of  
24 \$150,000,000 but not exceeding \$200,000,000;

25           50% of annual adjusted gross receipts in excess of  
26 \$200,000,000.

1 (a-3) Beginning July 1, 2003, a privilege tax is imposed  
2 on persons engaged in the business of conducting riverboat  
3 gambling operations, other than licensed managers conducting  
4 riverboat gambling operations on behalf of the State, based on  
5 the adjusted gross receipts received by a licensed owner from  
6 gambling games authorized under this Act at the following  
7 rates:

8 15% of annual adjusted gross receipts up to and  
9 including \$25,000,000;

10 27.5% of annual adjusted gross receipts in excess of  
11 \$25,000,000 but not exceeding \$37,500,000;

12 32.5% of annual adjusted gross receipts in excess of  
13 \$37,500,000 but not exceeding \$50,000,000;

14 37.5% of annual adjusted gross receipts in excess of  
15 \$50,000,000 but not exceeding \$75,000,000;

16 45% of annual adjusted gross receipts in excess of  
17 \$75,000,000 but not exceeding \$100,000,000;

18 50% of annual adjusted gross receipts in excess of  
19 \$100,000,000 but not exceeding \$250,000,000;

20 70% of annual adjusted gross receipts in excess of  
21 \$250,000,000.

22 An amount equal to the amount of wagering taxes collected  
23 under this subsection (a-3) that are in addition to the amount  
24 of wagering taxes that would have been collected if the  
25 wagering tax rates under subsection (a-2) were in effect shall  
26 be paid into the Common School Fund.

1           The privilege tax imposed under this subsection (a-3)  
2 shall no longer be imposed beginning on the earlier of (i) July  
3 1, 2005; (ii) the first date after June 20, 2003 that riverboat  
4 gambling operations are conducted pursuant to a dormant  
5 license; or (iii) the first day that riverboat gambling  
6 operations are conducted under the authority of an owners  
7 license that is in addition to the 10 owners licenses  
8 initially authorized under this Act. For the purposes of this  
9 subsection (a-3), the term "dormant license" means an owners  
10 license that is authorized by this Act under which no  
11 riverboat gambling operations are being conducted on June 20,  
12 2003.

13           (a-4) Beginning on the first day on which the tax imposed  
14 under subsection (a-3) is no longer imposed and ending upon  
15 the imposition of the privilege tax under subsection (a-5) of  
16 this Section, a privilege tax is imposed on persons engaged in  
17 the business of conducting gambling operations, other than  
18 licensed managers conducting riverboat gambling operations on  
19 behalf of the State, based on the adjusted gross receipts  
20 received by a licensed owner from gambling games authorized  
21 under this Act at the following rates:

22           15% of annual adjusted gross receipts up to and  
23 including \$25,000,000;

24           22.5% of annual adjusted gross receipts in excess of  
25 \$25,000,000 but not exceeding \$50,000,000;

26           27.5% of annual adjusted gross receipts in excess of

1           \$50,000,000 but not exceeding \$75,000,000;  
2           32.5% of annual adjusted gross receipts in excess of  
3           \$75,000,000 but not exceeding \$100,000,000;  
4           37.5% of annual adjusted gross receipts in excess of  
5           \$100,000,000 but not exceeding \$150,000,000;  
6           45% of annual adjusted gross receipts in excess of  
7           \$150,000,000 but not exceeding \$200,000,000;  
8           50% of annual adjusted gross receipts in excess of  
9           \$200,000,000.

10           For the imposition of the privilege tax in this subsection  
11           (a-4), amounts paid pursuant to item (1) of subsection (b) of  
12           Section 56 of the Illinois Horse Racing Act of 1975 shall not  
13           be included in the determination of adjusted gross receipts.

14           (a-5)(1) Beginning on July 1, 2020, a privilege tax is  
15           imposed on persons engaged in the business of conducting  
16           gambling operations, other than the owners licensee under  
17           paragraph (1) of subsection (e-5) of Section 7 and licensed  
18           managers conducting riverboat gambling operations on behalf of  
19           the State, based on the adjusted gross receipts received by  
20           such licensee from the gambling games authorized under this  
21           Act. The privilege tax for all gambling games other than table  
22           games, including, but not limited to, slot machines, video  
23           game of chance gambling, and electronic gambling games shall  
24           be at the following rates:

25           15% of annual adjusted gross receipts up to and  
26           including \$25,000,000;

1           22.5% of annual adjusted gross receipts in excess of  
2           \$25,000,000 but not exceeding \$50,000,000;

3           27.5% of annual adjusted gross receipts in excess of  
4           \$50,000,000 but not exceeding \$75,000,000;

5           32.5% of annual adjusted gross receipts in excess of  
6           \$75,000,000 but not exceeding \$100,000,000;

7           37.5% of annual adjusted gross receipts in excess of  
8           \$100,000,000 but not exceeding \$150,000,000;

9           45% of annual adjusted gross receipts in excess of  
10          \$150,000,000 but not exceeding \$200,000,000;

11          50% of annual adjusted gross receipts in excess of  
12          \$200,000,000.

13          The privilege tax for table games shall be at the  
14          following rates:

15                 15% of annual adjusted gross receipts up to and  
16                 including \$25,000,000;

17                 20% of annual adjusted gross receipts in excess of  
18                 \$25,000,000.

19          For the imposition of the privilege tax in this subsection  
20          (a-5), amounts paid pursuant to item (1) of subsection (b) of  
21          Section 56 of the Illinois Horse Racing Act of 1975 shall not  
22          be included in the determination of adjusted gross receipts.

23                 (2) Beginning on the first day that an owners licensee  
24                 under paragraph (1) of subsection (e-5) of Section 7 conducts  
25                 gambling operations, either in a temporary facility or a  
26                 permanent facility, a privilege tax is imposed on persons

1 engaged in the business of conducting gambling operations  
2 under paragraph (1) of subsection (e-5) of Section 7, other  
3 than licensed managers conducting riverboat gambling  
4 operations on behalf of the State, based on the adjusted gross  
5 receipts received by such licensee from the gambling games  
6 authorized under this Act. The privilege tax for all gambling  
7 games other than table games, including, but not limited to,  
8 slot machines, video game of chance gambling, and electronic  
9 gambling games shall be at the following rates:

10 12% of annual adjusted gross receipts up to and  
11 including \$25,000,000 to the State and 10.5% of annual  
12 adjusted gross receipts up to and including \$25,000,000 to  
13 the City of Chicago;

14 16% of annual adjusted gross receipts in excess of  
15 \$25,000,000 but not exceeding \$50,000,000 to the State and  
16 14% of annual adjusted gross receipts in excess of  
17 \$25,000,000 but not exceeding \$50,000,000 to the City of  
18 Chicago;

19 20.1% of annual adjusted gross receipts in excess of  
20 \$50,000,000 but not exceeding \$75,000,000 to the State and  
21 17.4% of annual adjusted gross receipts in excess of  
22 \$50,000,000 but not exceeding \$75,000,000 to the City of  
23 Chicago;

24 21.4% of annual adjusted gross receipts in excess of  
25 \$75,000,000 but not exceeding \$100,000,000 to the State  
26 and 18.6% of annual adjusted gross receipts in excess of

1           \$75,000,000 but not exceeding \$100,000,000 to the City of  
2 Chicago;

3           22.7% of annual adjusted gross receipts in excess of  
4 \$100,000,000 but not exceeding \$150,000,000 to the State  
5 and 19.8% of annual adjusted gross receipts in excess of  
6 \$100,000,000 but not exceeding \$150,000,000 to the City of  
7 Chicago;

8           24.1% of annual adjusted gross receipts in excess of  
9 \$150,000,000 but not exceeding \$225,000,000 to the State  
10 and 20.9% of annual adjusted gross receipts in excess of  
11 \$150,000,000 but not exceeding \$225,000,000 to the City of  
12 Chicago;

13           26.8% of annual adjusted gross receipts in excess of  
14 \$225,000,000 but not exceeding \$1,000,000,000 to the State  
15 and 23.2% of annual adjusted gross receipts in excess of  
16 \$225,000,000 but not exceeding \$1,000,000,000 to the City  
17 of Chicago;

18           40% of annual adjusted gross receipts in excess of  
19 \$1,000,000,000 to the State and 34.7% of annual gross  
20 receipts in excess of \$1,000,000,000 to the City of  
21 Chicago.

22           The privilege tax for table games shall be at the  
23 following rates:

24           8.1% of annual adjusted gross receipts up to and  
25 including \$25,000,000 to the State and 6.9% of annual  
26 adjusted gross receipts up to and including \$25,000,000 to



1 the City of Chicago;

2 10.7% of annual adjusted gross receipts in excess of  
3 \$25,000,000 but not exceeding \$75,000,000 to the State and  
4 9.3% of annual adjusted gross receipts in excess of  
5 \$25,000,000 but not exceeding \$75,000,000 to the City of  
6 Chicago;

7 11.2% of annual adjusted gross receipts in excess of  
8 \$75,000,000 but not exceeding \$175,000,000 to the State  
9 and 9.8% of annual adjusted gross receipts in excess of  
10 \$75,000,000 but not exceeding \$175,000,000 to the City of  
11 Chicago;

12 13.5% of annual adjusted gross receipts in excess of  
13 \$175,000,000 but not exceeding \$225,000,000 to the State  
14 and 11.5% of annual adjusted gross receipts in excess of  
15 \$175,000,000 but not exceeding \$225,000,000 to the City of  
16 Chicago;

17 15.1% of annual adjusted gross receipts in excess of  
18 \$225,000,000 but not exceeding \$275,000,000 to the State  
19 and 12.9% of annual adjusted gross receipts in excess of  
20 \$225,000,000 but not exceeding \$275,000,000 to the City of  
21 Chicago;

22 16.2% of annual adjusted gross receipts in excess of  
23 \$275,000,000 but not exceeding \$375,000,000 to the State  
24 and 13.8% of annual adjusted gross receipts in excess of  
25 \$275,000,000 but not exceeding \$375,000,000 to the City of  
26 Chicago;

1           18.9% of annual adjusted gross receipts in excess of  
2           \$375,000,000 to the State and 16.1% of annual gross  
3           receipts in excess of \$375,000,000 to the City of Chicago.

4           For the imposition of the privilege tax in this subsection  
5           (a-5), amounts paid pursuant to item (1) of subsection (b) of  
6           Section 56 of the Illinois Horse Racing Act of 1975 shall not  
7           be included in the determination of adjusted gross receipts.

8           (3) Notwithstanding the provisions of this subsection  
9           (a-5), for the first 10 years that the privilege tax is imposed  
10          under this subsection (a-5) or until the year preceding the  
11          calendar year in which paragraph (4) becomes operative,  
12          whichever occurs first, the privilege tax shall be imposed on  
13          the modified annual adjusted gross receipts of a riverboat or  
14          casino conducting gambling operations in the City of East St.  
15          Louis, unless:

16               (1) the riverboat or casino fails to employ at least  
17               450 people, except no minimum employment shall be required  
18               during 2020 and 2021 or during periods that the riverboat  
19               or casino is closed on orders of State officials for  
20               public health emergencies or other emergencies not caused  
21               by the riverboat or casino;

22               (2) the riverboat or casino fails to maintain  
23               operations in a manner consistent with this Act or is not a  
24               viable riverboat or casino subject to the approval of the  
25               Board; or

26               (3) the owners licensee is not an entity in which

1 employees participate in an employee stock ownership plan  
2 or in which the owners licensee sponsors a 401(k)  
3 retirement plan and makes a matching employer contribution  
4 equal to at least one-quarter of the first 12% or one-half  
5 of the first 6% of each participating employee's  
6 contribution, not to exceed any limitations under federal  
7 laws and regulations.

8 (4) Notwithstanding the provisions of this subsection  
9 (a-5), for 10 calendar years beginning in the year that  
10 gambling operations commence either in a temporary or  
11 permanent facility at an organization gaming facility located  
12 in the City of Collinsville ~~if the facility commences~~  
13 ~~operations within 3 years of the effective date of the changes~~  
14 ~~made to this Section by this amendatory Act of the 103rd~~  
15 ~~General Assembly,~~ the privilege tax imposed under this  
16 subsection (a-5) on a riverboat or casino conducting gambling  
17 operations in the City of East St. Louis shall be reduced, if  
18 applicable, by an amount equal to the difference in adjusted  
19 gross receipts for the 2022 calendar year less the current  
20 year's adjusted gross receipts, unless:

21 (A) the riverboat or casino fails to employ at least  
22 350 people, except that no minimum employment shall be  
23 required during periods that the riverboat or casino is  
24 closed on orders of State officials for public health  
25 emergencies or other emergencies not caused by the  
26 riverboat or casino;

1 (B) the riverboat or casino fails to maintain  
2 operations in a manner consistent with this Act or is not a  
3 viable riverboat or casino subject to the approval of the  
4 Board; or

5 (C) the riverboat or casino fails to submit audited  
6 financial statements to the Board prepared by an  
7 accounting firm that has been preapproved by the Board and  
8 such statements were prepared in accordance with the  
9 provisions of the Financial Accounting Standards Board  
10 Accounting Standards Codification under nongovernmental  
11 accounting principles generally accepted in the United  
12 States.

13 As used in this subsection (a-5), "modified annual  
14 adjusted gross receipts" means:

15 (A) for calendar year 2020, the annual adjusted gross  
16 receipts for the current year minus the difference between  
17 an amount equal to the average annual adjusted gross  
18 receipts from a riverboat or casino conducting gambling  
19 operations in the City of East St. Louis for 2014, 2015,  
20 2016, 2017, and 2018 and the annual adjusted gross  
21 receipts for 2018;

22 (B) for calendar year 2021, the annual adjusted gross  
23 receipts for the current year minus the difference between  
24 an amount equal to the average annual adjusted gross  
25 receipts from a riverboat or casino conducting gambling  
26 operations in the City of East St. Louis for 2014, 2015,

1           2016, 2017, and 2018 and the annual adjusted gross  
2           receipts for 2019; and

3           (C) for calendar years 2022 through 2029, the annual  
4           adjusted gross receipts for the current year minus the  
5           difference between an amount equal to the average annual  
6           adjusted gross receipts from a riverboat or casino  
7           conducting gambling operations in the City of East St.  
8           Louis for 3 years preceding the current year and the  
9           annual adjusted gross receipts for the immediately  
10          preceding year.

11          (a-6) From June 28, 2019 (the effective date of Public Act  
12          101-31) until June 30, 2023, an owners licensee that conducted  
13          gambling operations prior to January 1, 2011 shall receive a  
14          dollar-for-dollar credit against the tax imposed under this  
15          Section for any renovation or construction costs paid by the  
16          owners licensee, but in no event shall the credit exceed  
17          \$2,000,000.

18          Additionally, from June 28, 2019 (the effective date of  
19          Public Act 101-31) until December 31, 2024, an owners licensee  
20          that (i) is located within 15 miles of the Missouri border, and  
21          (ii) has at least 3 riverboats, casinos, or their equivalent  
22          within a 45-mile radius, may be authorized to relocate to a new  
23          location with the approval of both the unit of local  
24          government designated as the home dock and the Board, so long  
25          as the new location is within the same unit of local government  
26          and no more than 3 miles away from its original location. Such

1 owners licensee shall receive a credit against the tax imposed  
2 under this Section equal to 8% of the total project costs, as  
3 approved by the Board, for any renovation or construction  
4 costs paid by the owners licensee for the construction of the  
5 new facility, provided that the new facility is operational by  
6 July 1, 2024. In determining whether or not to approve a  
7 relocation, the Board must consider the extent to which the  
8 relocation will diminish the gaming revenues received by other  
9 Illinois gaming facilities.

10 (a-7) Beginning in the initial adjustment year and through  
11 the final adjustment year, if the total obligation imposed  
12 pursuant to either subsection (a-5) or (a-6) will result in an  
13 owners licensee receiving less after-tax adjusted gross  
14 receipts than it received in calendar year 2018, then the  
15 total amount of privilege taxes that the owners licensee is  
16 required to pay for that calendar year shall be reduced to the  
17 extent necessary so that the after-tax adjusted gross receipts  
18 in that calendar year equals the after-tax adjusted gross  
19 receipts in calendar year 2018, but the privilege tax  
20 reduction shall not exceed the annual adjustment cap. If  
21 pursuant to this subsection (a-7), the total obligation  
22 imposed pursuant to either subsection (a-5) or (a-6) shall be  
23 reduced, then the owners licensee shall not receive a refund  
24 from the State at the end of the subject calendar year but  
25 instead shall be able to apply that amount as a credit against  
26 any payments it owes to the State in the following calendar

1 year to satisfy its total obligation under either subsection  
2 (a-5) or (a-6). The credit for the final adjustment year shall  
3 occur in the calendar year following the final adjustment  
4 year.

5 If an owners licensee that conducted gambling operations  
6 prior to January 1, 2019 expands its riverboat or casino,  
7 including, but not limited to, with respect to its gaming  
8 floor, additional non-gaming amenities such as restaurants,  
9 bars, and hotels and other additional facilities, and incurs  
10 construction and other costs related to such expansion from  
11 June 28, 2019 (the effective date of Public Act 101-31) until  
12 June 28, 2029 ~~June 28, 2024 (the 5th anniversary of the~~  
13 ~~effective date of Public Act 101-31)~~, then for each  
14 \$15,000,000 spent for any such construction or other costs  
15 related to expansion paid by the owners licensee, the final  
16 adjustment year shall be extended by one year and the annual  
17 adjustment cap shall increase by 0.2% of adjusted gross  
18 receipts during each calendar year until and including the  
19 final adjustment year. No further modifications to the final  
20 adjustment year or annual adjustment cap shall be made after  
21 \$75,000,000 is incurred in construction or other costs related  
22 to expansion so that the final adjustment year shall not  
23 extend beyond the 9th calendar year after the initial  
24 adjustment year, not including the initial adjustment year,  
25 and the annual adjustment cap shall not exceed 4% of adjusted  
26 gross receipts in a particular calendar year. Construction and

1 other costs related to expansion shall include all project  
2 related costs, including, but not limited to, all hard and  
3 soft costs, financing costs, on or off-site ground, road or  
4 utility work, cost of gaming equipment and all other personal  
5 property, initial fees assessed for each incremental gaming  
6 position, and the cost of incremental land acquired for such  
7 expansion. Soft costs shall include, but not be limited to,  
8 legal fees, architect, engineering and design costs, other  
9 consultant costs, insurance cost, permitting costs, and  
10 pre-opening costs related to the expansion, including, but not  
11 limited to, any of the following: marketing, real estate  
12 taxes, personnel, training, travel and out-of-pocket expenses,  
13 supply, inventory, and other costs, and any other project  
14 related soft costs.

15 To be eligible for the tax credits in subsection (a-6),  
16 all construction contracts shall include a requirement that  
17 the contractor enter into a project labor agreement with the  
18 building and construction trades council with geographic  
19 jurisdiction of the location of the proposed gaming facility.

20 Notwithstanding any other provision of this subsection  
21 (a-7), this subsection (a-7) does not apply to an owners  
22 licensee unless such owners licensee spends at least  
23 \$15,000,000 on construction and other costs related to its  
24 expansion, excluding the initial fees assessed for each  
25 incremental gaming position.

26 This subsection (a-7) does not apply to owners licensees



1 authorized pursuant to subsection (e-5) of Section 7 of this  
2 Act.

3 For purposes of this subsection (a-7):

4 "Building and construction trades council" means any  
5 organization representing multiple construction entities that  
6 are monitoring or attentive to compliance with public or  
7 workers' safety laws, wage and hour requirements, or other  
8 statutory requirements or that are making or maintaining  
9 collective bargaining agreements.

10 "Initial adjustment year" means the year commencing on  
11 January 1 of the calendar year immediately following the  
12 earlier of the following:

13 (1) the commencement of gambling operations, either in  
14 a temporary or permanent facility, with respect to the  
15 owners license authorized under paragraph (1) of  
16 subsection (e-5) of Section 7 of this Act; or

17 (2) June 28, 2021 (24 months after the effective date  
18 of Public Act 101-31);

19 provided the initial adjustment year shall not commence  
20 earlier than June 28, 2020 (12 months after the effective date  
21 of Public Act 101-31).

22 "Final adjustment year" means the 2nd calendar year after  
23 the initial adjustment year, not including the initial  
24 adjustment year, and as may be extended further as described  
25 in this subsection (a-7).

26 "Annual adjustment cap" means 3% of adjusted gross

1 receipts in a particular calendar year, and as may be  
2 increased further as otherwise described in this subsection  
3 (a-7).

4 (a-8) Riverboat gambling operations conducted by a  
5 licensed manager on behalf of the State are not subject to the  
6 tax imposed under this Section.

7 (a-9) Beginning on January 1, 2020, the calculation of  
8 gross receipts or adjusted gross receipts, for the purposes of  
9 this Section, for a riverboat, a casino, or an organization  
10 gaming facility shall not include the dollar amount of  
11 non-cashable vouchers, coupons, and electronic promotions  
12 redeemed by wagerers upon the riverboat, in the casino, or in  
13 the organization gaming facility up to and including an amount  
14 not to exceed 20% of a riverboat's, a casino's, or an  
15 organization gaming facility's adjusted gross receipts.

16 The Illinois Gaming Board shall submit to the General  
17 Assembly a comprehensive report no later than March 31, 2023  
18 detailing, at a minimum, the effect of removing non-cashable  
19 vouchers, coupons, and electronic promotions from this  
20 calculation on net gaming revenues to the State in calendar  
21 years 2020 through 2022, the increase or reduction in wagerers  
22 as a result of removing non-cashable vouchers, coupons, and  
23 electronic promotions from this calculation, the effect of the  
24 tax rates in subsection (a-5) on net gaming revenues to this  
25 State, and proposed modifications to the calculation.

26 (a-10) The taxes imposed by this Section shall be paid by

1 the licensed owner or the organization gaming licensee to the  
2 Board not later than 5:00 o'clock p.m. of the day after the day  
3 when the wagers were made.

4 (a-15) If the privilege tax imposed under subsection (a-3)  
5 is no longer imposed pursuant to item (i) of the last paragraph  
6 of subsection (a-3), then by June 15 of each year, each owners  
7 licensee, other than an owners licensee that admitted  
8 1,000,000 persons or fewer in calendar year 2004, must, in  
9 addition to the payment of all amounts otherwise due under  
10 this Section, pay to the Board a reconciliation payment in the  
11 amount, if any, by which the licensed owner's base amount  
12 exceeds the amount of net privilege tax paid by the licensed  
13 owner to the Board in the then current State fiscal year. A  
14 licensed owner's net privilege tax obligation due for the  
15 balance of the State fiscal year shall be reduced up to the  
16 total of the amount paid by the licensed owner in its June 15  
17 reconciliation payment. The obligation imposed by this  
18 subsection (a-15) is binding on any person, firm, corporation,  
19 or other entity that acquires an ownership interest in any  
20 such owners license. The obligation imposed under this  
21 subsection (a-15) terminates on the earliest of: (i) July 1,  
22 2007, (ii) the first day after August 23, 2005 (the effective  
23 date of Public Act 94-673) that riverboat gambling operations  
24 are conducted pursuant to a dormant license, (iii) the first  
25 day that riverboat gambling operations are conducted under the  
26 authority of an owners license that is in addition to the 10

1 owners licenses initially authorized under this Act, or (iv)  
2 the first day that a licensee under the Illinois Horse Racing  
3 Act of 1975 conducts gaming operations with slot machines or  
4 other electronic gaming devices. The Board must reduce the  
5 obligation imposed under this subsection (a-15) by an amount  
6 the Board deems reasonable for any of the following reasons:  
7 (A) an act or acts of God, (B) an act of bioterrorism or  
8 terrorism or a bioterrorism or terrorism threat that was  
9 investigated by a law enforcement agency, or (C) a condition  
10 beyond the control of the owners licensee that does not result  
11 from any act or omission by the owners licensee or any of its  
12 agents and that poses a hazardous threat to the health and  
13 safety of patrons. If an owners licensee pays an amount in  
14 excess of its liability under this Section, the Board shall  
15 apply the overpayment to future payments required under this  
16 Section.

17 For purposes of this subsection (a-15):

18 "Act of God" means an incident caused by the operation of  
19 an extraordinary force that cannot be foreseen, that cannot be  
20 avoided by the exercise of due care, and for which no person  
21 can be held liable.

22 "Base amount" means the following:

23 For a riverboat in Alton, \$31,000,000.

24 For a riverboat in East Peoria, \$43,000,000.

25 For the Empress riverboat in Joliet, \$86,000,000.

26 For a riverboat in Metropolis, \$45,000,000.

1 For the Harrah's riverboat in Joliet, \$114,000,000.

2 For a riverboat in Aurora, \$86,000,000.

3 For a riverboat in East St. Louis, \$48,500,000.

4 For a riverboat in Elgin, \$198,000,000.

5 "Dormant license" has the meaning ascribed to it in  
6 subsection (a-3).

7 "Net privilege tax" means all privilege taxes paid by a  
8 licensed owner to the Board under this Section, less all  
9 payments made from the State Gaming Fund pursuant to  
10 subsection (b) of this Section.

11 The changes made to this subsection (a-15) by Public Act  
12 94-839 are intended to restate and clarify the intent of  
13 Public Act 94-673 with respect to the amount of the payments  
14 required to be made under this subsection by an owners  
15 licensee to the Board.

16 (b) From the tax revenue from riverboat or casino gambling  
17 deposited in the State Gaming Fund under this Section, an  
18 amount equal to 5% of adjusted gross receipts generated by a  
19 riverboat or a casino, other than a riverboat or casino  
20 designated in paragraph (1), (3), or (4) of subsection (e-5)  
21 of Section 7, shall be paid monthly, subject to appropriation  
22 by the General Assembly, to the unit of local government in  
23 which the casino is located or that is designated as the home  
24 dock of the riverboat. Notwithstanding anything to the  
25 contrary, beginning on the first day that an owners licensee  
26 under paragraph (1), (2), (3), (4), (5), or (6) of subsection

1 (e-5) of Section 7 conducts gambling operations, either in a  
2 temporary facility or a permanent facility, and for 2 years  
3 thereafter, a unit of local government designated as the home  
4 dock of a riverboat whose license was issued before January 1,  
5 2019, other than a riverboat conducting gambling operations in  
6 the City of East St. Louis, shall not receive less under this  
7 subsection (b) than the amount the unit of local government  
8 received under this subsection (b) in calendar year 2018.  
9 Notwithstanding anything to the contrary and because the City  
10 of East St. Louis is a financially distressed city, beginning  
11 on the first day that an owners licensee under paragraph (1),  
12 (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7  
13 conducts gambling operations, either in a temporary facility  
14 or a permanent facility, and for 10 years thereafter, a unit of  
15 local government designated as the home dock of a riverboat  
16 conducting gambling operations in the City of East St. Louis  
17 shall not receive less under this subsection (b) than the  
18 amount the unit of local government received under this  
19 subsection (b) in calendar year 2018.

20 From the tax revenue deposited in the State Gaming Fund  
21 pursuant to riverboat or casino gambling operations conducted  
22 by a licensed manager on behalf of the State, an amount equal  
23 to 5% of adjusted gross receipts generated pursuant to those  
24 riverboat or casino gambling operations shall be paid monthly,  
25 subject to appropriation by the General Assembly, to the unit  
26 of local government that is designated as the home dock of the

1 riverboat upon which those riverboat gambling operations are  
2 conducted or in which the casino is located.

3 From the tax revenue from riverboat or casino gambling  
4 deposited in the State Gaming Fund under this Section, an  
5 amount equal to 5% of the adjusted gross receipts generated by  
6 a riverboat designated in paragraph (3) of subsection (e-5) of  
7 Section 7 shall be divided and remitted monthly, subject to  
8 appropriation, as follows: 70% to Waukegan, 10% to Park City,  
9 15% to North Chicago, and 5% to Lake County.

10 From the tax revenue from riverboat or casino gambling  
11 deposited in the State Gaming Fund under this Section, an  
12 amount equal to 5% of the adjusted gross receipts generated by  
13 a riverboat designated in paragraph (4) of subsection (e-5) of  
14 Section 7 shall be remitted monthly, subject to appropriation,  
15 as follows: 70% to the City of Rockford, 5% to the City of  
16 Loves Park, 5% to the Village of Machesney, and 20% to  
17 Winnebago County.

18 From the tax revenue from riverboat or casino gambling  
19 deposited in the State Gaming Fund under this Section, an  
20 amount equal to 5% of the adjusted gross receipts generated by  
21 a riverboat designated in paragraph (5) of subsection (e-5) of  
22 Section 7 shall be remitted monthly, subject to appropriation,  
23 as follows: 2% to the unit of local government in which the  
24 riverboat or casino is located, and 3% shall be distributed:  
25 (A) in accordance with a regional capital development plan  
26 entered into by the following communities: Village of Beecher,

1 City of Blue Island, Village of Burnham, City of Calumet City,  
2 Village of Calumet Park, City of Chicago Heights, City of  
3 Country Club Hills, Village of Crestwood, Village of Crete,  
4 Village of Dixmoor, Village of Dolton, Village of East Hazel  
5 Crest, Village of Flossmoor, Village of Ford Heights, Village  
6 of Glenwood, City of Harvey, Village of Hazel Crest, Village  
7 of Homewood, Village of Lansing, Village of Lynwood, City of  
8 Markham, Village of Matteson, Village of Midlothian, Village  
9 of Monee, City of Oak Forest, Village of Olympia Fields,  
10 Village of Orland Hills, Village of Orland Park, City of Palos  
11 Heights, Village of Park Forest, Village of Phoenix, Village  
12 of Posen, Village of Richton Park, Village of Riverdale,  
13 Village of Robbins, Village of Sauk Village, Village of South  
14 Chicago Heights, Village of South Holland, Village of Steger,  
15 Village of Thornton, Village of Tinley Park, Village of  
16 University Park, and Village of Worth; or (B) if no regional  
17 capital development plan exists, equally among the communities  
18 listed in item (A) to be used for capital expenditures or  
19 public pension payments, or both.

20 Units of local government may refund any portion of the  
21 payment that they receive pursuant to this subsection (b) to  
22 the riverboat or casino.

23 (b-4) Beginning on the first day a licensee under  
24 subsection (e-5) of Section 7 conducts gambling operations or  
25 30 days after the effective date of this amendatory Act of the  
26 103rd General Assembly, whichever is sooner, either in a



1 temporary facility or a permanent facility, and ending on July  
2 31, 2042, from the tax revenue deposited in the State Gaming  
3 Fund under this Section, \$5,000,000 shall be paid annually,  
4 subject to appropriation, to the host municipality of that  
5 owners licensee of a license issued or re-issued pursuant to  
6 Section 7.1 of this Act before January 1, 2012. Payments  
7 received by the host municipality pursuant to this subsection  
8 (b-4) may not be shared with any other unit of local  
9 government.

10 (b-5) Beginning on June 28, 2019 (the effective date of  
11 Public Act 101-31), from the tax revenue deposited in the  
12 State Gaming Fund under this Section, an amount equal to 3% of  
13 adjusted gross receipts generated by each organization gaming  
14 facility located outside Madison County shall be paid monthly,  
15 subject to appropriation by the General Assembly, to a  
16 municipality other than the Village of Stickney in which each  
17 organization gaming facility is located or, if the  
18 organization gaming facility is not located within a  
19 municipality, to the county in which the organization gaming  
20 facility is located, except as otherwise provided in this  
21 Section. From the tax revenue deposited in the State Gaming  
22 Fund under this Section, an amount equal to 3% of adjusted  
23 gross receipts generated by an organization gaming facility  
24 located in the Village of Stickney shall be paid monthly,  
25 subject to appropriation by the General Assembly, as follows:  
26 25% to the Village of Stickney, 5% to the City of Berwyn, 50%

1 to the Town of Cicero, and 20% to the Stickney Public Health  
2 District.

3 From the tax revenue deposited in the State Gaming Fund  
4 under this Section, an amount equal to 5% of adjusted gross  
5 receipts generated by an organization gaming facility located  
6 in the City of Collinsville shall be paid monthly, subject to  
7 appropriation by the General Assembly, as follows: 30% to the  
8 City of Alton, 30% to the City of East St. Louis, and 40% to  
9 the City of Collinsville.

10 Municipalities and counties may refund any portion of the  
11 payment that they receive pursuant to this subsection (b-5) to  
12 the organization gaming facility.

13 (b-6) Beginning on June 28, 2019 (the effective date of  
14 Public Act 101-31), from the tax revenue deposited in the  
15 State Gaming Fund under this Section, an amount equal to 2% of  
16 adjusted gross receipts generated by an organization gaming  
17 facility located outside Madison County shall be paid monthly,  
18 subject to appropriation by the General Assembly, to the  
19 county in which the organization gaming facility is located  
20 for the purposes of its criminal justice system or health care  
21 system.

22 Counties may refund any portion of the payment that they  
23 receive pursuant to this subsection (b-6) to the organization  
24 gaming facility.

25 (b-7) From the tax revenue from the organization gaming  
26 licensee located in one of the following townships of Cook

1 County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or  
2 Worth, an amount equal to 5% of the adjusted gross receipts  
3 generated by that organization gaming licensee shall be  
4 remitted monthly, subject to appropriation, as follows: 2% to  
5 the unit of local government in which the organization gaming  
6 licensee is located, and 3% shall be distributed: (A) in  
7 accordance with a regional capital development plan entered  
8 into by the following communities: Village of Beecher, City of  
9 Blue Island, Village of Burnham, City of Calumet City, Village  
10 of Calumet Park, City of Chicago Heights, City of Country Club  
11 Hills, Village of Crestwood, Village of Crete, Village of  
12 Dixmoor, Village of Dolton, Village of East Hazel Crest,  
13 Village of Flossmoor, Village of Ford Heights, Village of  
14 Glenwood, City of Harvey, Village of Hazel Crest, Village of  
15 Homewood, Village of Lansing, Village of Lynwood, City of  
16 Markham, Village of Matteson, Village of Midlothian, Village  
17 of Monee, City of Oak Forest, Village of Olympia Fields,  
18 Village of Orland Hills, Village of Orland Park, City of Palos  
19 Heights, Village of Park Forest, Village of Phoenix, Village  
20 of Posen, Village of Richton Park, Village of Riverdale,  
21 Village of Robbins, Village of Sauk Village, Village of South  
22 Chicago Heights, Village of South Holland, Village of Steger,  
23 Village of Thornton, Village of Tinley Park, Village of  
24 University Park, and Village of Worth; or (B) if no regional  
25 capital development plan exists, equally among the communities  
26 listed in item (A) to be used for capital expenditures or

1 public pension payments, or both.

2 (b-8) In lieu of the payments under subsection (b) of this  
3 Section, from the tax revenue deposited in the State Gaming  
4 Fund pursuant to riverboat or casino gambling operations  
5 conducted by an owners licensee under paragraph (1) of  
6 subsection (e-5) of Section 7, an amount equal to the tax  
7 revenue generated from the privilege tax imposed by paragraph  
8 (2) of subsection (a-5) that is to be paid to the City of  
9 Chicago shall be paid monthly, subject to appropriation by the  
10 General Assembly, as follows: (1) an amount equal to 0.5% of  
11 the annual adjusted gross receipts generated by the owners  
12 licensee under paragraph (1) of subsection (e-5) of Section 7  
13 to the home rule county in which the owners licensee is located  
14 for the purpose of enhancing the county's criminal justice  
15 system; and (2) the balance to the City of Chicago and shall be  
16 expended or obligated by the City of Chicago for pension  
17 payments in accordance with Public Act 99-506.

18 (c) Appropriations, as approved by the General Assembly,  
19 may be made from the State Gaming Fund to the Board (i) for the  
20 administration and enforcement of this Act and the Video  
21 Gaming Act, (ii) for distribution to the Illinois State Police  
22 and to the Department of Revenue for the enforcement of this  
23 Act and the Video Gaming Act, and (iii) to the Department of  
24 Human Services for the administration of programs to treat  
25 problem gambling, including problem gambling from sports  
26 wagering. The Board's annual appropriations request must

1 separately state its funding needs for the regulation of  
2 gaming authorized under Section 7.7, riverboat gaming, casino  
3 gaming, video gaming, and sports wagering.

4 (c-2) An amount equal to 2% of the adjusted gross receipts  
5 generated by an organization gaming facility located within a  
6 home rule county with a population of over 3,000,000  
7 inhabitants shall be paid, subject to appropriation from the  
8 General Assembly, from the State Gaming Fund to the home rule  
9 county in which the organization gaming licensee is located  
10 for the purpose of enhancing the county's criminal justice  
11 system.

12 (c-3) Appropriations, as approved by the General Assembly,  
13 may be made from the tax revenue deposited into the State  
14 Gaming Fund from organization gaming licensees pursuant to  
15 this Section for the administration and enforcement of this  
16 Act.

17 (c-4) After payments required under subsections (b),  
18 (b-5), (b-6), (b-7), (c), (c-2), and (c-3) have been made from  
19 the tax revenue from organization gaming licensees deposited  
20 into the State Gaming Fund under this Section, all remaining  
21 amounts from organization gaming licensees shall be  
22 transferred into the Capital Projects Fund.

23 (c-5) (Blank).

24 (c-10) Each year the General Assembly shall appropriate  
25 from the General Revenue Fund to the Education Assistance Fund  
26 an amount equal to the amount paid into the Horse Racing Equity

1 Fund pursuant to subsection (c-5) in the prior calendar year.

2 (c-15) After the payments required under subsections (b),  
3 (c), and (c-5) have been made, an amount equal to 2% of the  
4 adjusted gross receipts of (1) an owners licensee that  
5 relocates pursuant to Section 11.2, (2) an owners licensee  
6 conducting riverboat gambling operations pursuant to an owners  
7 license that is initially issued after June 25, 1999, or (3)  
8 the first riverboat gambling operations conducted by a  
9 licensed manager on behalf of the State under Section 7.3,  
10 whichever comes first, shall be paid, subject to appropriation  
11 from the General Assembly, from the State Gaming Fund to each  
12 home rule county with a population of over 3,000,000  
13 inhabitants for the purpose of enhancing the county's criminal  
14 justice system.

15 (c-20) Each year the General Assembly shall appropriate  
16 from the General Revenue Fund to the Education Assistance Fund  
17 an amount equal to the amount paid to each home rule county  
18 with a population of over 3,000,000 inhabitants pursuant to  
19 subsection (c-15) in the prior calendar year.

20 (c-21) After the payments required under subsections (b),  
21 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), and (c-4) have  
22 been made, an amount equal to 0.5% of the adjusted gross  
23 receipts generated by the owners licensee under paragraph (1)  
24 of subsection (e-5) of Section 7 shall be paid monthly,  
25 subject to appropriation from the General Assembly, from the  
26 State Gaming Fund to the home rule county in which the owners

1 licensee is located for the purpose of enhancing the county's  
2 criminal justice system.

3 (c-22) After the payments required under subsections (b),  
4 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), (c-4), and  
5 (c-21) have been made, an amount equal to 2% of the adjusted  
6 gross receipts generated by the owners licensee under  
7 paragraph (5) of subsection (e-5) of Section 7 shall be paid,  
8 subject to appropriation from the General Assembly, from the  
9 State Gaming Fund to the home rule county in which the owners  
10 licensee is located for the purpose of enhancing the county's  
11 criminal justice system.

12 (c-25) From July 1, 2013 and each July 1 thereafter  
13 through July 1, 2019, \$1,600,000 shall be transferred from the  
14 State Gaming Fund to the Chicago State University Education  
15 Improvement Fund.

16 On July 1, 2020 and each July 1 thereafter, \$3,000,000  
17 shall be transferred from the State Gaming Fund to the Chicago  
18 State University Education Improvement Fund.

19 (c-30) On July 1, 2013 or as soon as possible thereafter,  
20 \$92,000,000 shall be transferred from the State Gaming Fund to  
21 the School Infrastructure Fund and \$23,000,000 shall be  
22 transferred from the State Gaming Fund to the Horse Racing  
23 Equity Fund.

24 (c-35) Beginning on July 1, 2013, in addition to any  
25 amount transferred under subsection (c-30) of this Section,  
26 \$5,530,000 shall be transferred monthly from the State Gaming

1 Fund to the School Infrastructure Fund.

2 (d) From time to time, through June 30, 2021, the Board  
3 shall transfer the remainder of the funds generated by this  
4 Act into the Education Assistance Fund.

5 (d-5) Beginning on July 1, 2021, on the last day of each  
6 month, or as soon thereafter as possible, after all the  
7 required expenditures, distributions, and transfers have been  
8 made from the State Gaming Fund for the month pursuant to  
9 subsections (b) through (c-35), at the direction of the Board,  
10 the Comptroller shall direct and the Treasurer shall transfer  
11 \$22,500,000, along with any deficiencies in such amounts from  
12 prior months in the same fiscal year, from the State Gaming  
13 Fund to the Education Assistance Fund; then, at the direction  
14 of the Board, the Comptroller shall direct and the Treasurer  
15 shall transfer the remainder of the funds generated by this  
16 Act, if any, from the State Gaming Fund to the Capital Projects  
17 Fund.

18 (e) Nothing in this Act shall prohibit the unit of local  
19 government designated as the home dock of the riverboat from  
20 entering into agreements with other units of local government  
21 in this State or in other states to share its portion of the  
22 tax revenue.

23 (f) To the extent practicable, the Board shall administer  
24 and collect the wagering taxes imposed by this Section in a  
25 manner consistent with the provisions of Sections 4, 5, 5a,  
26 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of



1 the Retailers' Occupation Tax Act and Section 3-7 of the  
2 Uniform Penalty and Interest Act.

3 (Source: P.A. 102-16, eff. 6-17-21; 102-538, eff. 8-20-21;  
4 102-689, eff. 12-17-21; 102-699, eff. 4-19-22; 103-8, eff.  
5 6-7-23; 103-574, eff. 12-8-23.)

6 ARTICLE 165.

7 Section 165-5. The Illinois Local Library Act is amended  
8 by changing Section 4-9 as follows:

9 (75 ILCS 5/4-9) (from Ch. 81, par. 4-9)

10 Sec. 4-9. In townships and in cities, villages and  
11 incorporated towns having a population of 500,000 or less, the  
12 board of trustees shall require the treasurer of such board or  
13 such other person as may be designated as the custodian of the  
14 moneys paid over to such board to give a bond to be approved by  
15 such board and in such amount, not less than 10% ~~50%~~ of the  
16 total funds received by the library in the last fiscal year,  
17 conditioned that he will safely keep and pay over upon the  
18 order of such board all funds received and held by him for such  
19 board of trustees. For a library in a city, village,  
20 incorporated town or township, the board of library trustees  
21 may designate the treasurer of the corporate authority, or the  
22 supervisor in the case of a township, as the custodian of the  
23 library fund, and the bond given by the treasurer or the

1 supervisor shall satisfy the bond requirements of this section  
2 when properly endorsed. The cost of any surety bond shall be  
3 borne by the library. As an alternative to a personal bond on  
4 the treasurer or custodian of funds, the board of trustees may  
5 require the treasurer or custodian to secure for the library  
6 an insurance policy or other insurance instrument that  
7 provides the library with coverage for negligent or  
8 intentional acts by library officials and employees that could  
9 result in the loss of library funds. The coverage shall be in  
10 an amount at least equal to 10% ~~50%~~ of the average amount of  
11 the library's operating fund from the prior 3 fiscal years.  
12 The coverage shall be placed with an insurer approved by the  
13 board. The cost of any such coverage shall be borne by the  
14 library. The library shall provide the Illinois State Library  
15 a copy of the library's certificate of insurance at the time  
16 the library's annual report is filed.

17 (Source: P.A. 97-101, eff. 1-1-12.)

18 Section 165-10. The Illinois Library System Act is amended  
19 by changing Section 5 as follows:

20 (75 ILCS 10/5) (from Ch. 81, par. 115)

21 Sec. 5. Each library system created as provided in Section  
22 4 of this Act shall be governed by a board of directors  
23 numbering at least 5 and no more than 15 persons, except as  
24 required by Section 6 for library systems in cities with a

1 population of 500,000 or more. The board shall be  
2 representative of the variety of library interests in the  
3 system, and at least a majority shall be elected or selected  
4 from the governing boards of the member public libraries, with  
5 not more than one director representing a single member  
6 library. For library systems as defined in subparagraph (3) of  
7 the definition of "library system" in Section 2, the board  
8 members shall be representative of the types of libraries that  
9 library system serves. The number of directors, the manner of  
10 election or selection, the term of office and the provision  
11 for filling vacancies shall be determined by the system  
12 governing board except that all board members must be eligible  
13 electors in the geographical area of the system. No director  
14 of any library system, however, shall be permitted to serve  
15 for more than a total of 6 years unless 2 years have elapsed  
16 since his sixth year of service.

17 The board of directors shall elect a president, secretary  
18 and treasurer. Before entering upon his duties, the treasurer  
19 shall be required to give a bond in an amount to be approved by  
20 the board, but in no case shall such amount be less than 10%  
21 ~~50%~~ of the system's area and per capita grant for the previous  
22 year, conditioned that he will safely keep and pay over upon  
23 the order of such board all funds received and held by him for  
24 the library system. As an alternative to a personal bond on the  
25 treasurer, the board of trustees may require the treasurer to  
26 secure for the system an insurance policy or other insurance

1 instrument that provides the library with coverage for  
2 negligent or intentional acts by system officials and  
3 employees that could result in the loss of system funds. The  
4 coverage shall be in an amount at least equal to 10% ~~50%~~ of the  
5 average amount of the system's operating fund from the prior 3  
6 fiscal years. The coverage shall be placed with an insurer  
7 approved by the board. The cost of any such coverage shall be  
8 borne by the system. The system shall provide the Illinois  
9 State Library a copy of the system's certificate of insurance  
10 at the time the system's annual report is filed. The funds of  
11 the library system shall be deposited in a bank or savings and  
12 loan association designated by the board of directors and  
13 shall be expended only under the direction of such board upon  
14 properly authenticated vouchers.

15 No bank or savings and loan association shall receive  
16 public funds as permitted by this Section, unless it has  
17 complied with the requirements established pursuant to Section  
18 6 of the Public Funds Investment Act.

19 The members of the board of directors of the library  
20 system shall serve without compensation but their actual and  
21 necessary expenses shall be a proper charge against the  
22 library fund.

23 (Source: P.A. 97-101, eff. 1-1-12.)

24 Section 165-15. The Public Library District Act of 1991 is  
25 amended by changing Section 30-45 as follows:

1 (75 ILCS 16/30-45)

2 Sec. 30-45. Duties of officers.

3 (a) The duties of the officers of the board are as provided  
4 in this Section.

5 (b) The president shall preside over all meetings, appoint  
6 members of committees authorized by the district's  
7 regulations, and perform other duties specified by the  
8 district's regulations, ordinances, or other appropriate  
9 action. In the president's absence, the vice president shall  
10 preside at meetings. The president shall not have or exercise  
11 veto powers.

12 (c) The vice president's duties shall be prescribed by  
13 regulations.

14 (d) The treasurer shall keep and maintain accounts and  
15 records of the district during the treasurer's term in office,  
16 indicating in those accounts and records a record of all  
17 receipts, disbursements, and balances in any funds.

18 Annual audit and financial report requirements shall  
19 conform with Section 3 of the Governmental Account Audit Act.

20 (e) The treasurer shall give bond to the district to  
21 faithfully discharge the duties of the office and to account  
22 to the district for all district funds coming into the  
23 treasurer's hands. The bond shall be in an amount and with  
24 sureties approved by the board. The amount of the bond shall be  
25 based upon a minimum of 10% ~~50%~~ of the total funds received by

1 the district in the last previous fiscal year. The cost of any  
2 surety bond shall be borne by the district. As an alternative  
3 to a personal bond on the treasurer, the treasurer may secure  
4 for the district an insurance policy or other insurance  
5 instrument that provides the district with coverage for  
6 negligent or intentional acts by district officials and  
7 employees that could result in the loss of district funds. The  
8 coverage shall be in an amount at least equal to 10% ~~50%~~ of the  
9 average amount of the district's operating fund from the prior  
10 3 fiscal years. The coverage shall be placed with an insurer  
11 approved by the board. The cost of any such coverage shall be  
12 borne by the district. The system shall provide the Illinois  
13 State Library a copy of the district's certificate of  
14 insurance at the time the district's annual report is filed.

15 (f) Any person, entity, or public body or agency  
16 possessing district funds, property, or records shall, upon  
17 demand by any trustee, transfer and release the funds,  
18 property, or records to the treasurer.

19 (g) The secretary shall keep and maintain appropriate  
20 records for his or her term in office and shall include in  
21 those records a record of the minutes of all meetings, the  
22 names of those in attendance, the ordinances enacted, the  
23 resolutions and regulations adopted, and all other pertinent  
24 written matter affecting the operation of the district. The  
25 secretary may administer oaths and affirmations for the  
26 purposes of this Act.

1 (Source: P.A. 97-101, eff. 1-1-12.)

2 ARTICLE 170.

3 Section 170-1. Short title. This Act may be cited as the  
4 Illinois Gives Tax Credit Act. References in this Article to  
5 "this Act" mean this Article.

6 Section 170-5. Definitions. As used in this Act:

7 "Business entity" means a corporation (including a  
8 Subchapter S corporation), trust, estate, partnership, limited  
9 liability company, or sole proprietorship.

10 "Credit-eligible endowment gift" means an endowment gift  
11 for which a taxpayer intends to apply for an income tax credit  
12 under this Act.

13 "Department" means the Department of Revenue.

14 "Donor advised fund" has the meaning given to that term in  
15 subsection (d) of Section 4966 of the Internal Revenue Code of  
16 1986.

17 "Endowment gift" means an irrevocable contribution to a  
18 permanent endowment fund held by a qualified community  
19 foundation.

20 "Permanent endowment fund" means a fund that (i) is held  
21 by a qualified community foundation, (ii) provides charitable  
22 grants exclusively for the benefit of residents of the State  
23 or charities and charitable projects located in the State,

1 (iii) is intended to exist in perpetuity, (iv) has an annual  
2 spending rate based on the foundation spending policy, but not  
3 to exceed 7%, and (v) is not a donor advised fund.

4 "Qualified community foundation" means a community  
5 foundation or similar publicly supported organization  
6 described in Section 170 (b) (1) (A) (vi) of the Internal Revenue  
7 Code of 1986 that is organized or operating in this State and  
8 that substantially complies with the national standards for  
9 U.S. community foundations established by the Community  
10 Foundations National Standards, as determined by the  
11 Department.

12 "Taxpayer" means any individual who is subject to the tax  
13 imposed under subsections (a) and (b) of Section 201 of the  
14 Illinois Income Tax Act or any business entity that is subject  
15 to the tax imposed under subsections (a) and (b) of Section 201  
16 of the Illinois Income Tax Act.

17 Section 170-10. Tax credit awards; limitations.

18 (a) For taxable years ending on or after December 31, 2025  
19 and ending before January 1, 2030, the Department shall award,  
20 in accordance with this Act, income tax credits to taxpayers  
21 who provide an endowment gift to a permanent endowment fund  
22 during the taxable year and receive a certificate of receipt  
23 under Section 170-15 for that gift. Subject to the limitations  
24 in this Section, the amount of the credit that may be awarded  
25 to a taxpayer by the Department under this Act is an amount



1 equal to 25% of the endowment gift.

2 (b) The aggregate amount of all Illinois Gives tax credits  
3 awarded by the Department under this Act in any calendar year  
4 may not exceed \$5,000,000.

5 (c) The aggregate amount of all Illinois Gives tax credits  
6 that the Department may award to any taxpayer under this Act in  
7 any calendar year may not exceed \$100,000.

8 (d) The amount of contributions to any specific qualified  
9 community foundation that are eligible for Illinois Gives tax  
10 credits under this Section in any calendar year shall not  
11 exceed \$3,000,000.

12 (e) Of the annual amount available for tax credits, 25%  
13 must be reserved for endowment gifts that do not exceed the  
14 small gift maximum set forth in this subsection. The small  
15 gift maximum is \$25,000. For purposes of determining if a  
16 donation meets the small gift maximum, the amount of the  
17 credit authorization certificate under Section 170-15 shall be  
18 used.

19 (f) For the purpose of this Section, a credit is  
20 considered to be awarded on the date the Department issues an  
21 approved contribution authorization certificate under Section  
22 170-15.

23 Section 170-15. Applications for tax credits.

24 (a) The taxpayer shall apply to the Department, in the  
25 form and manner prescribed by the Department, for a

1 contribution authorization certificate. A taxpayer who makes  
2 more than one credit-eligible endowment gift must make a  
3 separate application for each contribution authorization  
4 certificate. Applications under this subsection shall be  
5 reviewed by the Department and shall either be approved or  
6 denied. Each approved contribution authorization certificate  
7 shall be sent to the taxpayer within 3 business days after the  
8 certificate is approved. The Department shall maintain on its  
9 website a running total of: (i) the total amount of credits  
10 remaining under this Act for which taxpayers may apply for a  
11 contribution authorization certificate issued in the calendar  
12 year; (ii) the total amount of credits allocated during the  
13 calendar year for each specific community foundation; and  
14 (iii) the total amount remaining for the calendar year under  
15 the small gift maximum set forth in Section 170-10. Those  
16 running totals shall be updated every business day.

17 (b) The taxpayer shall make the endowment gift to the  
18 permanent endowment fund either prior to or within 10 business  
19 days after the taxpayer receives the approved contribution  
20 authorization certificate under subsection (a). The qualified  
21 community foundation shall, within 30 business days after  
22 receipt of an endowment gift for which a contribution  
23 authorization certificate has been approved by the Department  
24 under subsection (a), issue to the taxpayer a written  
25 certificate of receipt, which shall contain the information  
26 required by the Department by rule. No receipt shall be issued

1 for amounts that are not actually received by the qualified  
2 community foundation within 10 business days after the  
3 taxpayer receives the approved contribution authorization  
4 certificate.

5 Section 170-20. Approval to issue certificates of receipt.

6 (a) A qualified community foundation shall submit an  
7 application for approval to issue certificates of receipt, in  
8 the form and manner prescribed by the Department, provided  
9 that each application shall include:

10 (1) documentary evidence that the qualified community  
11 foundation meets the qualifications under Section  
12 170(b)(1)(A)(vi) of the Internal Revenue Code and  
13 substantially complies with the standards established by  
14 Community Foundations National Standards;

15 (2) certification that the qualified community  
16 foundation holds a permanent endowment fund meeting the  
17 criteria established in Section 170-5;

18 (3) a list of the names and addresses of all members of  
19 the governing board of the qualified community foundation;  
20 and

21 (4) a copy of the most recent financial audit of the  
22 qualified community foundation's accounts and records  
23 conducted by an independent certified public accountant in  
24 accordance with auditing standards generally accepted in  
25 the United States, government auditing standards, and

1 rules adopted by the Department.

2 (b) The Department shall review and either approve or deny  
3 each application to issue certificates of receipt pursuant to  
4 this Act. Approval or denial of an application shall be made on  
5 a periodic basis. Applicants shall be notified of the  
6 Department's determination within 30 business days after the  
7 application is received.

8 Section 170-25. Certificates of receipt.

9 (a) No qualified community foundation shall issue a  
10 certificate of receipt for any qualified contribution made by  
11 a taxpayer under this Act unless that qualified community  
12 foundation has been approved to issue certificates of receipt  
13 pursuant to Section 170-20 of this Act.

14 (b) No qualified community foundation shall issue a  
15 certificate of receipt for a contribution made by a taxpayer  
16 unless the taxpayer has been issued a credit authorization  
17 certificate by the Department.

18 (c) If a taxpayer makes a contribution to a qualified  
19 community foundation prior to the date by which the authorized  
20 contribution shall be made as provided in Section 170-15, the  
21 qualified community foundation shall, within 30 business days  
22 after receipt of the authorized contribution, issue to the  
23 taxpayer a written certificate of receipt.

24 (d) If a taxpayer fails to make all or a portion of a  
25 contribution prior to the date by which such authorized

1 contribution is required to be made, the taxpayer shall not be  
2 entitled to a certificate of receipt for that portion of the  
3 authorized contribution not made.

4 (e) Each certificate of receipt shall state:

5 (1) the name and address of the issuing qualified  
6 community foundation;

7 (2) the taxpayer's name and address;

8 (3) the date of each qualified contribution;

9 (4) the amount of each qualified contribution;

10 (5) the total qualified contribution amount; and

11 (6) any other information that the Department deems  
12 necessary.

13 (f) Upon the issuance of a certificate of receipt, the  
14 issuing qualified community foundation shall, within 10  
15 business days after issuing the certificate of receipt,  
16 provide the Department with notification of the issuance of  
17 such certificate, in the form and manner prescribed by the  
18 Department, provided that such notification shall include:

19 (1) the taxpayer's name and address;

20 (2) the date of the issuance of a certificate of  
21 receipt;

22 (3) the qualified contribution date or dates and the  
23 amounts contributed on such dates;

24 (4) the total qualified contribution listed on such  
25 certificates;

26 (5) the issuing qualified community foundation's name

1 and address; and

2 (6) any other information the Department may deem  
3 necessary.

4 (g) Any portion of a contribution that a taxpayer fails to  
5 make by the date indicated on the authorized contribution  
6 certificate shall no longer be deducted from the cap  
7 prescribed in Section 170-10 of this Act.

8 Section 170-30. Annual report. By March 31, 2026, and by  
9 March 31 of each subsequent year, the Department must submit  
10 an annual report to the Governor and the General Assembly  
11 concerning the activities conducted under this Act during the  
12 previous calendar year. The report must include a detailed  
13 listing of tax credits authorized under this Act by the  
14 Department. The report may not disclose any information if the  
15 disclosure would violate Section 917 of the Illinois Income  
16 Tax Act.

17 Section 170-35. Rulemaking. The Department may adopt rules  
18 for the implementation of this Act.

19 Section 170-90. The Illinois Income Tax Act is amended by  
20 changing Section 203 and by adding Section 241 as follows:

21 (35 ILCS 5/203)

22 Sec. 203. Base income defined.

1 (a) Individuals.

2 (1) In general. In the case of an individual, base  
3 income means an amount equal to the taxpayer's adjusted  
4 gross income for the taxable year as modified by paragraph  
5 (2).

6 (2) Modifications. The adjusted gross income referred  
7 to in paragraph (1) shall be modified by adding thereto  
8 the sum of the following amounts:

9 (A) An amount equal to all amounts paid or accrued  
10 to the taxpayer as interest or dividends during the  
11 taxable year to the extent excluded from gross income  
12 in the computation of adjusted gross income, except  
13 stock dividends of qualified public utilities  
14 described in Section 305(e) of the Internal Revenue  
15 Code;

16 (B) An amount equal to the amount of tax imposed by  
17 this Act to the extent deducted from gross income in  
18 the computation of adjusted gross income for the  
19 taxable year;

20 (C) An amount equal to the amount received during  
21 the taxable year as a recovery or refund of real  
22 property taxes paid with respect to the taxpayer's  
23 principal residence under the Revenue Act of 1939 and  
24 for which a deduction was previously taken under  
25 subparagraph (L) of this paragraph (2) prior to July  
26 1, 1991, the retrospective application date of Article

1           4 of Public Act 87-17. In the case of multi-unit or  
2 multi-use structures and farm dwellings, the taxes on  
3 the taxpayer's principal residence shall be that  
4 portion of the total taxes for the entire property  
5 which is attributable to such principal residence;

6           (D) An amount equal to the amount of the capital  
7 gain deduction allowable under the Internal Revenue  
8 Code, to the extent deducted from gross income in the  
9 computation of adjusted gross income;

10           (D-5) An amount, to the extent not included in  
11 adjusted gross income, equal to the amount of money  
12 withdrawn by the taxpayer in the taxable year from a  
13 medical care savings account and the interest earned  
14 on the account in the taxable year of a withdrawal  
15 pursuant to subsection (b) of Section 20 of the  
16 Medical Care Savings Account Act or subsection (b) of  
17 Section 20 of the Medical Care Savings Account Act of  
18 2000;

19           (D-10) For taxable years ending after December 31,  
20 1997, an amount equal to any eligible remediation  
21 costs that the individual deducted in computing  
22 adjusted gross income and for which the individual  
23 claims a credit under subsection (1) of Section 201;

24           (D-15) For taxable years 2001 and thereafter, an  
25 amount equal to the bonus depreciation deduction taken  
26 on the taxpayer's federal income tax return for the



1 taxable year under subsection (k) of Section 168 of  
2 the Internal Revenue Code;

3 (D-16) If the taxpayer sells, transfers, abandons,  
4 or otherwise disposes of property for which the  
5 taxpayer was required in any taxable year to make an  
6 addition modification under subparagraph (D-15), then  
7 an amount equal to the aggregate amount of the  
8 deductions taken in all taxable years under  
9 subparagraph (Z) with respect to that property.

10 If the taxpayer continues to own property through  
11 the last day of the last tax year for which a  
12 subtraction is allowed with respect to that property  
13 under subparagraph (Z) and for which the taxpayer was  
14 allowed in any taxable year to make a subtraction  
15 modification under subparagraph (Z), then an amount  
16 equal to that subtraction modification.

17 The taxpayer is required to make the addition  
18 modification under this subparagraph only once with  
19 respect to any one piece of property;

20 (D-17) An amount equal to the amount otherwise  
21 allowed as a deduction in computing base income for  
22 interest paid, accrued, or incurred, directly or  
23 indirectly, (i) for taxable years ending on or after  
24 December 31, 2004, to a foreign person who would be a  
25 member of the same unitary business group but for the  
26 fact that foreign person's business activity outside

1 the United States is 80% or more of the foreign  
2 person's total business activity and (ii) for taxable  
3 years ending on or after December 31, 2008, to a person  
4 who would be a member of the same unitary business  
5 group but for the fact that the person is prohibited  
6 under Section 1501(a)(27) from being included in the  
7 unitary business group because he or she is ordinarily  
8 required to apportion business income under different  
9 subsections of Section 304. The addition modification  
10 required by this subparagraph shall be reduced to the  
11 extent that dividends were included in base income of  
12 the unitary group for the same taxable year and  
13 received by the taxpayer or by a member of the  
14 taxpayer's unitary business group (including amounts  
15 included in gross income under Sections 951 through  
16 964 of the Internal Revenue Code and amounts included  
17 in gross income under Section 78 of the Internal  
18 Revenue Code) with respect to the stock of the same  
19 person to whom the interest was paid, accrued, or  
20 incurred.

21 This paragraph shall not apply to the following:

22 (i) an item of interest paid, accrued, or  
23 incurred, directly or indirectly, to a person who  
24 is subject in a foreign country or state, other  
25 than a state which requires mandatory unitary  
26 reporting, to a tax on or measured by net income

1 with respect to such interest; or

2 (ii) an item of interest paid, accrued, or  
3 incurred, directly or indirectly, to a person if  
4 the taxpayer can establish, based on a  
5 preponderance of the evidence, both of the  
6 following:

7 (a) the person, during the same taxable  
8 year, paid, accrued, or incurred, the interest  
9 to a person that is not a related member, and

10 (b) the transaction giving rise to the  
11 interest expense between the taxpayer and the  
12 person did not have as a principal purpose the  
13 avoidance of Illinois income tax, and is paid  
14 pursuant to a contract or agreement that  
15 reflects an arm's-length interest rate and  
16 terms; or

17 (iii) the taxpayer can establish, based on  
18 clear and convincing evidence, that the interest  
19 paid, accrued, or incurred relates to a contract  
20 or agreement entered into at arm's-length rates  
21 and terms and the principal purpose for the  
22 payment is not federal or Illinois tax avoidance;  
23 or

24 (iv) an item of interest paid, accrued, or  
25 incurred, directly or indirectly, to a person if  
26 the taxpayer establishes by clear and convincing

1 evidence that the adjustments are unreasonable; or  
2 if the taxpayer and the Director agree in writing  
3 to the application or use of an alternative method  
4 of apportionment under Section 304(f).

5 Nothing in this subsection shall preclude the  
6 Director from making any other adjustment  
7 otherwise allowed under Section 404 of this Act  
8 for any tax year beginning after the effective  
9 date of this amendment provided such adjustment is  
10 made pursuant to regulation adopted by the  
11 Department and such regulations provide methods  
12 and standards by which the Department will utilize  
13 its authority under Section 404 of this Act;

14 (D-18) An amount equal to the amount of intangible  
15 expenses and costs otherwise allowed as a deduction in  
16 computing base income, and that were paid, accrued, or  
17 incurred, directly or indirectly, (i) for taxable  
18 years ending on or after December 31, 2004, to a  
19 foreign person who would be a member of the same  
20 unitary business group but for the fact that the  
21 foreign person's business activity outside the United  
22 States is 80% or more of that person's total business  
23 activity and (ii) for taxable years ending on or after  
24 December 31, 2008, to a person who would be a member of  
25 the same unitary business group but for the fact that  
26 the person is prohibited under Section 1501(a)(27)

1 from being included in the unitary business group  
2 because he or she is ordinarily required to apportion  
3 business income under different subsections of Section  
4 304. The addition modification required by this  
5 subparagraph shall be reduced to the extent that  
6 dividends were included in base income of the unitary  
7 group for the same taxable year and received by the  
8 taxpayer or by a member of the taxpayer's unitary  
9 business group (including amounts included in gross  
10 income under Sections 951 through 964 of the Internal  
11 Revenue Code and amounts included in gross income  
12 under Section 78 of the Internal Revenue Code) with  
13 respect to the stock of the same person to whom the  
14 intangible expenses and costs were directly or  
15 indirectly paid, incurred, or accrued. The preceding  
16 sentence does not apply to the extent that the same  
17 dividends caused a reduction to the addition  
18 modification required under Section 203(a)(2)(D-17) of  
19 this Act. As used in this subparagraph, the term  
20 "intangible expenses and costs" includes (1) expenses,  
21 losses, and costs for, or related to, the direct or  
22 indirect acquisition, use, maintenance or management,  
23 ownership, sale, exchange, or any other disposition of  
24 intangible property; (2) losses incurred, directly or  
25 indirectly, from factoring transactions or discounting  
26 transactions; (3) royalty, patent, technical, and

1 copyright fees; (4) licensing fees; and (5) other  
2 similar expenses and costs. For purposes of this  
3 subparagraph, "intangible property" includes patents,  
4 patent applications, trade names, trademarks, service  
5 marks, copyrights, mask works, trade secrets, and  
6 similar types of intangible assets.

7 This paragraph shall not apply to the following:

8 (i) any item of intangible expenses or costs  
9 paid, accrued, or incurred, directly or  
10 indirectly, from a transaction with a person who  
11 is subject in a foreign country or state, other  
12 than a state which requires mandatory unitary  
13 reporting, to a tax on or measured by net income  
14 with respect to such item; or

15 (ii) any item of intangible expense or cost  
16 paid, accrued, or incurred, directly or  
17 indirectly, if the taxpayer can establish, based  
18 on a preponderance of the evidence, both of the  
19 following:

20 (a) the person during the same taxable  
21 year paid, accrued, or incurred, the  
22 intangible expense or cost to a person that is  
23 not a related member, and

24 (b) the transaction giving rise to the  
25 intangible expense or cost between the  
26 taxpayer and the person did not have as a

1 principal purpose the avoidance of Illinois  
2 income tax, and is paid pursuant to a contract  
3 or agreement that reflects arm's-length terms;  
4 or

5 (iii) any item of intangible expense or cost  
6 paid, accrued, or incurred, directly or  
7 indirectly, from a transaction with a person if  
8 the taxpayer establishes by clear and convincing  
9 evidence, that the adjustments are unreasonable;  
10 or if the taxpayer and the Director agree in  
11 writing to the application or use of an  
12 alternative method of apportionment under Section  
13 304(f);

14 Nothing in this subsection shall preclude the  
15 Director from making any other adjustment  
16 otherwise allowed under Section 404 of this Act  
17 for any tax year beginning after the effective  
18 date of this amendment provided such adjustment is  
19 made pursuant to regulation adopted by the  
20 Department and such regulations provide methods  
21 and standards by which the Department will utilize  
22 its authority under Section 404 of this Act;

23 (D-19) For taxable years ending on or after  
24 December 31, 2008, an amount equal to the amount of  
25 insurance premium expenses and costs otherwise allowed  
26 as a deduction in computing base income, and that were

1           paid, accrued, or incurred, directly or indirectly, to  
2           a person who would be a member of the same unitary  
3           business group but for the fact that the person is  
4           prohibited under Section 1501(a)(27) from being  
5           included in the unitary business group because he or  
6           she is ordinarily required to apportion business  
7           income under different subsections of Section 304. The  
8           addition modification required by this subparagraph  
9           shall be reduced to the extent that dividends were  
10          included in base income of the unitary group for the  
11          same taxable year and received by the taxpayer or by a  
12          member of the taxpayer's unitary business group  
13          (including amounts included in gross income under  
14          Sections 951 through 964 of the Internal Revenue Code  
15          and amounts included in gross income under Section 78  
16          of the Internal Revenue Code) with respect to the  
17          stock of the same person to whom the premiums and costs  
18          were directly or indirectly paid, incurred, or  
19          accrued. The preceding sentence does not apply to the  
20          extent that the same dividends caused a reduction to  
21          the addition modification required under Section  
22          203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this  
23          Act;

24                 (D-20) For taxable years beginning on or after  
25          January 1, 2002 and ending on or before December 31,  
26          2006, in the case of a distribution from a qualified



1           tuition program under Section 529 of the Internal  
2           Revenue Code, other than (i) a distribution from a  
3           College Savings Pool created under Section 16.5 of the  
4           State Treasurer Act or (ii) a distribution from the  
5           Illinois Prepaid Tuition Trust Fund, an amount equal  
6           to the amount excluded from gross income under Section  
7           529(c)(3)(B). For taxable years beginning on or after  
8           January 1, 2007, in the case of a distribution from a  
9           qualified tuition program under Section 529 of the  
10          Internal Revenue Code, other than (i) a distribution  
11          from a College Savings Pool created under Section 16.5  
12          of the State Treasurer Act, (ii) a distribution from  
13          the Illinois Prepaid Tuition Trust Fund, or (iii) a  
14          distribution from a qualified tuition program under  
15          Section 529 of the Internal Revenue Code that (I)  
16          adopts and determines that its offering materials  
17          comply with the College Savings Plans Network's  
18          disclosure principles and (II) has made reasonable  
19          efforts to inform in-state residents of the existence  
20          of in-state qualified tuition programs by informing  
21          Illinois residents directly and, where applicable, to  
22          inform financial intermediaries distributing the  
23          program to inform in-state residents of the existence  
24          of in-state qualified tuition programs at least  
25          annually, an amount equal to the amount excluded from  
26          gross income under Section 529(c)(3)(B).

1           For the purposes of this subparagraph (D-20), a  
2           qualified tuition program has made reasonable efforts  
3           if it makes disclosures (which may use the term  
4           "in-state program" or "in-state plan" and need not  
5           specifically refer to Illinois or its qualified  
6           programs by name) (i) directly to prospective  
7           participants in its offering materials or makes a  
8           public disclosure, such as a website posting; and (ii)  
9           where applicable, to intermediaries selling the  
10          out-of-state program in the same manner that the  
11          out-of-state program distributes its offering  
12          materials;

13           (D-20.5) For taxable years beginning on or after  
14          January 1, 2018, in the case of a distribution from a  
15          qualified ABLE program under Section 529A of the  
16          Internal Revenue Code, other than a distribution from  
17          a qualified ABLE program created under Section 16.6 of  
18          the State Treasurer Act, an amount equal to the amount  
19          excluded from gross income under Section 529A(c) (1) (B)  
20          of the Internal Revenue Code;

21           (D-21) For taxable years beginning on or after  
22          January 1, 2007, in the case of transfer of moneys from  
23          a qualified tuition program under Section 529 of the  
24          Internal Revenue Code that is administered by the  
25          State to an out-of-state program, an amount equal to  
26          the amount of moneys previously deducted from base

1 income under subsection (a) (2) (Y) of this Section;

2 (D-21.5) For taxable years beginning on or after  
3 January 1, 2018, in the case of the transfer of moneys  
4 from a qualified tuition program under Section 529 or  
5 a qualified ABLE program under Section 529A of the  
6 Internal Revenue Code that is administered by this  
7 State to an ABLE account established under an  
8 out-of-state ABLE account program, an amount equal to  
9 the contribution component of the transferred amount  
10 that was previously deducted from base income under  
11 subsection (a) (2) (Y) or subsection (a) (2) (HH) of this  
12 Section;

13 (D-22) For taxable years beginning on or after  
14 January 1, 2009, and prior to January 1, 2018, in the  
15 case of a nonqualified withdrawal or refund of moneys  
16 from a qualified tuition program under Section 529 of  
17 the Internal Revenue Code administered by the State  
18 that is not used for qualified expenses at an eligible  
19 education institution, an amount equal to the  
20 contribution component of the nonqualified withdrawal  
21 or refund that was previously deducted from base  
22 income under subsection (a) (2) (y) of this Section,  
23 provided that the withdrawal or refund did not result  
24 from the beneficiary's death or disability. For  
25 taxable years beginning on or after January 1, 2018:  
26 (1) in the case of a nonqualified withdrawal or

1 refund, as defined under Section 16.5 of the State  
2 Treasurer Act, of moneys from a qualified tuition  
3 program under Section 529 of the Internal Revenue Code  
4 administered by the State, an amount equal to the  
5 contribution component of the nonqualified withdrawal  
6 or refund that was previously deducted from base  
7 income under subsection (a)(2)(Y) of this Section, and  
8 (2) in the case of a nonqualified withdrawal or refund  
9 from a qualified ABLE program under Section 529A of  
10 the Internal Revenue Code administered by the State  
11 that is not used for qualified disability expenses, an  
12 amount equal to the contribution component of the  
13 nonqualified withdrawal or refund that was previously  
14 deducted from base income under subsection (a)(2)(HH)  
15 of this Section;

16 (D-23) An amount equal to the credit allowable to  
17 the taxpayer under Section 218(a) of this Act,  
18 determined without regard to Section 218(c) of this  
19 Act;

20 (D-24) For taxable years ending on or after  
21 December 31, 2017, an amount equal to the deduction  
22 allowed under Section 199 of the Internal Revenue Code  
23 for the taxable year;

24 (D-25) In the case of a resident, an amount equal  
25 to the amount of tax for which a credit is allowed  
26 pursuant to Section 201(p)(7) of this Act;

1 and by deducting from the total so obtained the sum of the  
2 following amounts:

3 (E) For taxable years ending before December 31,  
4 2001, any amount included in such total in respect of  
5 any compensation (including but not limited to any  
6 compensation paid or accrued to a serviceman while a  
7 prisoner of war or missing in action) paid to a  
8 resident by reason of being on active duty in the Armed  
9 Forces of the United States and in respect of any  
10 compensation paid or accrued to a resident who as a  
11 governmental employee was a prisoner of war or missing  
12 in action, and in respect of any compensation paid to a  
13 resident in 1971 or thereafter for annual training  
14 performed pursuant to Sections 502 and 503, Title 32,  
15 United States Code as a member of the Illinois  
16 National Guard or, beginning with taxable years ending  
17 on or after December 31, 2007, the National Guard of  
18 any other state. For taxable years ending on or after  
19 December 31, 2001, any amount included in such total  
20 in respect of any compensation (including but not  
21 limited to any compensation paid or accrued to a  
22 serviceman while a prisoner of war or missing in  
23 action) paid to a resident by reason of being a member  
24 of any component of the Armed Forces of the United  
25 States and in respect of any compensation paid or  
26 accrued to a resident who as a governmental employee

1 was a prisoner of war or missing in action, and in  
2 respect of any compensation paid to a resident in 2001  
3 or thereafter by reason of being a member of the  
4 Illinois National Guard or, beginning with taxable  
5 years ending on or after December 31, 2007, the  
6 National Guard of any other state. The provisions of  
7 this subparagraph (E) are exempt from the provisions  
8 of Section 250;

9 (F) An amount equal to all amounts included in  
10 such total pursuant to the provisions of Sections  
11 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and  
12 408 of the Internal Revenue Code, or included in such  
13 total as distributions under the provisions of any  
14 retirement or disability plan for employees of any  
15 governmental agency or unit, or retirement payments to  
16 retired partners, which payments are excluded in  
17 computing net earnings from self employment by Section  
18 1402 of the Internal Revenue Code and regulations  
19 adopted pursuant thereto;

20 (G) The valuation limitation amount;

21 (H) An amount equal to the amount of any tax  
22 imposed by this Act which was refunded to the taxpayer  
23 and included in such total for the taxable year;

24 (I) An amount equal to all amounts included in  
25 such total pursuant to the provisions of Section 111  
26 of the Internal Revenue Code as a recovery of items

1           previously deducted from adjusted gross income in the  
2           computation of taxable income;

3           (J) An amount equal to those dividends included in  
4           such total which were paid by a corporation which  
5           conducts business operations in a River Edge  
6           Redevelopment Zone or zones created under the River  
7           Edge Redevelopment Zone Act, and conducts  
8           substantially all of its operations in a River Edge  
9           Redevelopment Zone or zones. This subparagraph (J) is  
10          exempt from the provisions of Section 250;

11          (K) An amount equal to those dividends included in  
12          such total that were paid by a corporation that  
13          conducts business operations in a federally designated  
14          Foreign Trade Zone or Sub-Zone and that is designated  
15          a High Impact Business located in Illinois; provided  
16          that dividends eligible for the deduction provided in  
17          subparagraph (J) of paragraph (2) of this subsection  
18          shall not be eligible for the deduction provided under  
19          this subparagraph (K);

20          (L) For taxable years ending after December 31,  
21          1983, an amount equal to all social security benefits  
22          and railroad retirement benefits included in such  
23          total pursuant to Sections 72(r) and 86 of the  
24          Internal Revenue Code;

25          (M) With the exception of any amounts subtracted  
26          under subparagraph (N), an amount equal to the sum of

1 all amounts disallowed as deductions by (i) Sections  
2 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
3 and all amounts of expenses allocable to interest and  
4 disallowed as deductions by Section 265(a)(1) of the  
5 Internal Revenue Code; and (ii) for taxable years  
6 ending on or after August 13, 1999, Sections  
7 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
8 Internal Revenue Code, plus, for taxable years ending  
9 on or after December 31, 2011, Section 45G(e)(3) of  
10 the Internal Revenue Code and, for taxable years  
11 ending on or after December 31, 2008, any amount  
12 included in gross income under Section 87 of the  
13 Internal Revenue Code; the provisions of this  
14 subparagraph are exempt from the provisions of Section  
15 250;

16 (N) An amount equal to all amounts included in  
17 such total which are exempt from taxation by this  
18 State either by reason of its statutes or Constitution  
19 or by reason of the Constitution, treaties or statutes  
20 of the United States; provided that, in the case of any  
21 statute of this State that exempts income derived from  
22 bonds or other obligations from the tax imposed under  
23 this Act, the amount exempted shall be the interest  
24 net of bond premium amortization;

25 (O) An amount equal to any contribution made to a  
26 job training project established pursuant to the Tax



1 Increment Allocation Redevelopment Act;

2 (P) An amount equal to the amount of the deduction  
3 used to compute the federal income tax credit for  
4 restoration of substantial amounts held under claim of  
5 right for the taxable year pursuant to Section 1341 of  
6 the Internal Revenue Code or of any itemized deduction  
7 taken from adjusted gross income in the computation of  
8 taxable income for restoration of substantial amounts  
9 held under claim of right for the taxable year;

10 (Q) An amount equal to any amounts included in  
11 such total, received by the taxpayer as an  
12 acceleration in the payment of life, endowment or  
13 annuity benefits in advance of the time they would  
14 otherwise be payable as an indemnity for a terminal  
15 illness;

16 (R) An amount equal to the amount of any federal or  
17 State bonus paid to veterans of the Persian Gulf War;

18 (S) An amount, to the extent included in adjusted  
19 gross income, equal to the amount of a contribution  
20 made in the taxable year on behalf of the taxpayer to a  
21 medical care savings account established under the  
22 Medical Care Savings Account Act or the Medical Care  
23 Savings Account Act of 2000 to the extent the  
24 contribution is accepted by the account administrator  
25 as provided in that Act;

26 (T) An amount, to the extent included in adjusted

1 gross income, equal to the amount of interest earned  
2 in the taxable year on a medical care savings account  
3 established under the Medical Care Savings Account Act  
4 or the Medical Care Savings Account Act of 2000 on  
5 behalf of the taxpayer, other than interest added  
6 pursuant to item (D-5) of this paragraph (2);

7 (U) For one taxable year beginning on or after  
8 January 1, 1994, an amount equal to the total amount of  
9 tax imposed and paid under subsections (a) and (b) of  
10 Section 201 of this Act on grant amounts received by  
11 the taxpayer under the Nursing Home Grant Assistance  
12 Act during the taxpayer's taxable years 1992 and 1993;

13 (V) Beginning with tax years ending on or after  
14 December 31, 1995 and ending with tax years ending on  
15 or before December 31, 2004, an amount equal to the  
16 amount paid by a taxpayer who is a self-employed  
17 taxpayer, a partner of a partnership, or a shareholder  
18 in a Subchapter S corporation for health insurance or  
19 long-term care insurance for that taxpayer or that  
20 taxpayer's spouse or dependents, to the extent that  
21 the amount paid for that health insurance or long-term  
22 care insurance may be deducted under Section 213 of  
23 the Internal Revenue Code, has not been deducted on  
24 the federal income tax return of the taxpayer, and  
25 does not exceed the taxable income attributable to  
26 that taxpayer's income, self-employment income, or

1 Subchapter S corporation income; except that no  
2 deduction shall be allowed under this item (V) if the  
3 taxpayer is eligible to participate in any health  
4 insurance or long-term care insurance plan of an  
5 employer of the taxpayer or the taxpayer's spouse. The  
6 amount of the health insurance and long-term care  
7 insurance subtracted under this item (V) shall be  
8 determined by multiplying total health insurance and  
9 long-term care insurance premiums paid by the taxpayer  
10 times a number that represents the fractional  
11 percentage of eligible medical expenses under Section  
12 213 of the Internal Revenue Code of 1986 not actually  
13 deducted on the taxpayer's federal income tax return;

14 (W) For taxable years beginning on or after  
15 January 1, 1998, all amounts included in the  
16 taxpayer's federal gross income in the taxable year  
17 from amounts converted from a regular IRA to a Roth  
18 IRA. This paragraph is exempt from the provisions of  
19 Section 250;

20 (X) For taxable year 1999 and thereafter, an  
21 amount equal to the amount of any (i) distributions,  
22 to the extent includible in gross income for federal  
23 income tax purposes, made to the taxpayer because of  
24 his or her status as a victim of persecution for racial  
25 or religious reasons by Nazi Germany or any other Axis  
26 regime or as an heir of the victim and (ii) items of

1 income, to the extent includible in gross income for  
2 federal income tax purposes, attributable to, derived  
3 from or in any way related to assets stolen from,  
4 hidden from, or otherwise lost to a victim of  
5 persecution for racial or religious reasons by Nazi  
6 Germany or any other Axis regime immediately prior to,  
7 during, and immediately after World War II, including,  
8 but not limited to, interest on the proceeds  
9 receivable as insurance under policies issued to a  
10 victim of persecution for racial or religious reasons  
11 by Nazi Germany or any other Axis regime by European  
12 insurance companies immediately prior to and during  
13 World War II; provided, however, this subtraction from  
14 federal adjusted gross income does not apply to assets  
15 acquired with such assets or with the proceeds from  
16 the sale of such assets; provided, further, this  
17 paragraph shall only apply to a taxpayer who was the  
18 first recipient of such assets after their recovery  
19 and who is a victim of persecution for racial or  
20 religious reasons by Nazi Germany or any other Axis  
21 regime or as an heir of the victim. The amount of and  
22 the eligibility for any public assistance, benefit, or  
23 similar entitlement is not affected by the inclusion  
24 of items (i) and (ii) of this paragraph in gross income  
25 for federal income tax purposes. This paragraph is  
26 exempt from the provisions of Section 250;

1           (Y) For taxable years beginning on or after  
2           January 1, 2002 and ending on or before December 31,  
3           2004, moneys contributed in the taxable year to a  
4           College Savings Pool account under Section 16.5 of the  
5           State Treasurer Act, except that amounts excluded from  
6           gross income under Section 529(c)(3)(C)(i) of the  
7           Internal Revenue Code shall not be considered moneys  
8           contributed under this subparagraph (Y). For taxable  
9           years beginning on or after January 1, 2005, a maximum  
10          of \$10,000 contributed in the taxable year to (i) a  
11          College Savings Pool account under Section 16.5 of the  
12          State Treasurer Act or (ii) the Illinois Prepaid  
13          Tuition Trust Fund, except that amounts excluded from  
14          gross income under Section 529(c)(3)(C)(i) of the  
15          Internal Revenue Code shall not be considered moneys  
16          contributed under this subparagraph (Y). For purposes  
17          of this subparagraph, contributions made by an  
18          employer on behalf of an employee, or matching  
19          contributions made by an employee, shall be treated as  
20          made by the employee. This subparagraph (Y) is exempt  
21          from the provisions of Section 250;

22          (Z) For taxable years 2001 and thereafter, for the  
23          taxable year in which the bonus depreciation deduction  
24          is taken on the taxpayer's federal income tax return  
25          under subsection (k) of Section 168 of the Internal  
26          Revenue Code and for each applicable taxable year

1           thereafter, an amount equal to "x", where:

2                   (1) "y" equals the amount of the depreciation  
3                   deduction taken for the taxable year on the  
4                   taxpayer's federal income tax return on property  
5                   for which the bonus depreciation deduction was  
6                   taken in any year under subsection (k) of Section  
7                   168 of the Internal Revenue Code, but not  
8                   including the bonus depreciation deduction;

9                   (2) for taxable years ending on or before  
10                   December 31, 2005, "x" equals "y" multiplied by 30  
11                   and then divided by 70 (or "y" multiplied by  
12                   0.429); and

13                   (3) for taxable years ending after December  
14                   31, 2005:

15                           (i) for property on which a bonus  
16                           depreciation deduction of 30% of the adjusted  
17                           basis was taken, "x" equals "y" multiplied by  
18                           30 and then divided by 70 (or "y" multiplied  
19                           by 0.429);

20                           (ii) for property on which a bonus  
21                           depreciation deduction of 50% of the adjusted  
22                           basis was taken, "x" equals "y" multiplied by  
23                           1.0;

24                           (iii) for property on which a bonus  
25                           depreciation deduction of 100% of the adjusted  
26                           basis was taken in a taxable year ending on or

1 after December 31, 2021, "x" equals the  
2 depreciation deduction that would be allowed  
3 on that property if the taxpayer had made the  
4 election under Section 168(k)(7) of the  
5 Internal Revenue Code to not claim bonus  
6 depreciation on that property; and

7 (iv) for property on which a bonus  
8 depreciation deduction of a percentage other  
9 than 30%, 50% or 100% of the adjusted basis  
10 was taken in a taxable year ending on or after  
11 December 31, 2021, "x" equals "y" multiplied  
12 by 100 times the percentage bonus depreciation  
13 on the property (that is,  $100(\text{bonus}\%)$ ) and  
14 then divided by 100 times 1 minus the  
15 percentage bonus depreciation on the property  
16 (that is,  $100(1-\text{bonus}\%)$ ).

17 The aggregate amount deducted under this  
18 subparagraph in all taxable years for any one piece of  
19 property may not exceed the amount of the bonus  
20 depreciation deduction taken on that property on the  
21 taxpayer's federal income tax return under subsection  
22 (k) of Section 168 of the Internal Revenue Code. This  
23 subparagraph (Z) is exempt from the provisions of  
24 Section 250;

25 (AA) If the taxpayer sells, transfers, abandons,  
26 or otherwise disposes of property for which the

1 taxpayer was required in any taxable year to make an  
2 addition modification under subparagraph (D-15), then  
3 an amount equal to that addition modification.

4 If the taxpayer continues to own property through  
5 the last day of the last tax year for which a  
6 subtraction is allowed with respect to that property  
7 under subparagraph (Z) and for which the taxpayer was  
8 required in any taxable year to make an addition  
9 modification under subparagraph (D-15), then an amount  
10 equal to that addition modification.

11 The taxpayer is allowed to take the deduction  
12 under this subparagraph only once with respect to any  
13 one piece of property.

14 This subparagraph (AA) is exempt from the  
15 provisions of Section 250;

16 (BB) Any amount included in adjusted gross income,  
17 other than salary, received by a driver in a  
18 ridesharing arrangement using a motor vehicle;

19 (CC) The amount of (i) any interest income (net of  
20 the deductions allocable thereto) taken into account  
21 for the taxable year with respect to a transaction  
22 with a taxpayer that is required to make an addition  
23 modification with respect to such transaction under  
24 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
25 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
26 the amount of that addition modification, and (ii) any



1 income from intangible property (net of the deductions  
2 allocable thereto) taken into account for the taxable  
3 year with respect to a transaction with a taxpayer  
4 that is required to make an addition modification with  
5 respect to such transaction under Section  
6 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
7 203(d)(2)(D-8), but not to exceed the amount of that  
8 addition modification. This subparagraph (CC) is  
9 exempt from the provisions of Section 250;

10 (DD) An amount equal to the interest income taken  
11 into account for the taxable year (net of the  
12 deductions allocable thereto) with respect to  
13 transactions with (i) a foreign person who would be a  
14 member of the taxpayer's unitary business group but  
15 for the fact that the foreign person's business  
16 activity outside the United States is 80% or more of  
17 that person's total business activity and (ii) for  
18 taxable years ending on or after December 31, 2008, to  
19 a person who would be a member of the same unitary  
20 business group but for the fact that the person is  
21 prohibited under Section 1501(a)(27) from being  
22 included in the unitary business group because he or  
23 she is ordinarily required to apportion business  
24 income under different subsections of Section 304, but  
25 not to exceed the addition modification required to be  
26 made for the same taxable year under Section

1           203(a)(2)(D-17) for interest paid, accrued, or  
2           incurred, directly or indirectly, to the same person.  
3           This subparagraph (DD) is exempt from the provisions  
4           of Section 250;

5           (EE) An amount equal to the income from intangible  
6           property taken into account for the taxable year (net  
7           of the deductions allocable thereto) with respect to  
8           transactions with (i) a foreign person who would be a  
9           member of the taxpayer's unitary business group but  
10          for the fact that the foreign person's business  
11          activity outside the United States is 80% or more of  
12          that person's total business activity and (ii) for  
13          taxable years ending on or after December 31, 2008, to  
14          a person who would be a member of the same unitary  
15          business group but for the fact that the person is  
16          prohibited under Section 1501(a)(27) from being  
17          included in the unitary business group because he or  
18          she is ordinarily required to apportion business  
19          income under different subsections of Section 304, but  
20          not to exceed the addition modification required to be  
21          made for the same taxable year under Section  
22          203(a)(2)(D-18) for intangible expenses and costs  
23          paid, accrued, or incurred, directly or indirectly, to  
24          the same foreign person. This subparagraph (EE) is  
25          exempt from the provisions of Section 250;

26          (FF) An amount equal to any amount awarded to the

1 taxpayer during the taxable year by the Court of  
2 Claims under subsection (c) of Section 8 of the Court  
3 of Claims Act for time unjustly served in a State  
4 prison. This subparagraph (FF) is exempt from the  
5 provisions of Section 250;

6 (GG) For taxable years ending on or after December  
7 31, 2011, in the case of a taxpayer who was required to  
8 add back any insurance premiums under Section  
9 203(a)(2)(D-19), such taxpayer may elect to subtract  
10 that part of a reimbursement received from the  
11 insurance company equal to the amount of the expense  
12 or loss (including expenses incurred by the insurance  
13 company) that would have been taken into account as a  
14 deduction for federal income tax purposes if the  
15 expense or loss had been uninsured. If a taxpayer  
16 makes the election provided for by this subparagraph  
17 (GG), the insurer to which the premiums were paid must  
18 add back to income the amount subtracted by the  
19 taxpayer pursuant to this subparagraph (GG). This  
20 subparagraph (GG) is exempt from the provisions of  
21 Section 250;

22 (HH) For taxable years beginning on or after  
23 January 1, 2018 and prior to January 1, 2028, a maximum  
24 of \$10,000 contributed in the taxable year to a  
25 qualified ABLE account under Section 16.6 of the State  
26 Treasurer Act, except that amounts excluded from gross

1 income under Section 529(c)(3)(C)(i) or Section  
2 529A(c)(1)(C) of the Internal Revenue Code shall not  
3 be considered moneys contributed under this  
4 subparagraph (HH). For purposes of this subparagraph  
5 (HH), contributions made by an employer on behalf of  
6 an employee, or matching contributions made by an  
7 employee, shall be treated as made by the employee;

8 (II) For taxable years that begin on or after  
9 January 1, 2021 and begin before January 1, 2026, the  
10 amount that is included in the taxpayer's federal  
11 adjusted gross income pursuant to Section 61 of the  
12 Internal Revenue Code as discharge of indebtedness  
13 attributable to student loan forgiveness and that is  
14 not excluded from the taxpayer's federal adjusted  
15 gross income pursuant to paragraph (5) of subsection  
16 (f) of Section 108 of the Internal Revenue Code; ~~and~~

17 (JJ) For taxable years beginning on or after  
18 January 1, 2023, for any cannabis establishment  
19 operating in this State and licensed under the  
20 Cannabis Regulation and Tax Act or any cannabis  
21 cultivation center or medical cannabis dispensing  
22 organization operating in this State and licensed  
23 under the Compassionate Use of Medical Cannabis  
24 Program Act, an amount equal to the deductions that  
25 were disallowed under Section 280E of the Internal  
26 Revenue Code for the taxable year and that would not be

1 added back under this subsection. The provisions of  
2 this subparagraph (JJ) are exempt from the provisions  
3 of Section 250; and.

4 (KK) ~~(JJ)~~ To the extent includible in gross income  
5 for federal income tax purposes, any amount awarded or  
6 paid to the taxpayer as a result of a judgment or  
7 settlement for fertility fraud as provided in Section  
8 15 of the Illinois Fertility Fraud Act, donor  
9 fertility fraud as provided in Section 20 of the  
10 Illinois Fertility Fraud Act, or similar action in  
11 another state.

12 (b) Corporations.

13 (1) In general. In the case of a corporation, base  
14 income means an amount equal to the taxpayer's taxable  
15 income for the taxable year as modified by paragraph (2).

16 (2) Modifications. The taxable income referred to in  
17 paragraph (1) shall be modified by adding thereto the sum  
18 of the following amounts:

19 (A) An amount equal to all amounts paid or accrued  
20 to the taxpayer as interest and all distributions  
21 received from regulated investment companies during  
22 the taxable year to the extent excluded from gross  
23 income in the computation of taxable income;

24 (B) An amount equal to the amount of tax imposed by  
25 this Act to the extent deducted from gross income in

1           the computation of taxable income for the taxable  
2           year;

3           (C) In the case of a regulated investment company,  
4           an amount equal to the excess of (i) the net long-term  
5           capital gain for the taxable year, over (ii) the  
6           amount of the capital gain dividends designated as  
7           such in accordance with Section 852(b)(3)(C) of the  
8           Internal Revenue Code and any amount designated under  
9           Section 852(b)(3)(D) of the Internal Revenue Code,  
10          attributable to the taxable year (this amendatory Act  
11          of 1995 (Public Act 89-89) is declarative of existing  
12          law and is not a new enactment);

13          (D) The amount of any net operating loss deduction  
14          taken in arriving at taxable income, other than a net  
15          operating loss carried forward from a taxable year  
16          ending prior to December 31, 1986;

17          (E) For taxable years in which a net operating  
18          loss carryback or carryforward from a taxable year  
19          ending prior to December 31, 1986 is an element of  
20          taxable income under paragraph (1) of subsection (e)  
21          or subparagraph (E) of paragraph (2) of subsection  
22          (e), the amount by which addition modifications other  
23          than those provided by this subparagraph (E) exceeded  
24          subtraction modifications in such earlier taxable  
25          year, with the following limitations applied in the  
26          order that they are listed:

1 (i) the addition modification relating to the  
2 net operating loss carried back or forward to the  
3 taxable year from any taxable year ending prior to  
4 December 31, 1986 shall be reduced by the amount  
5 of addition modification under this subparagraph  
6 (E) which related to that net operating loss and  
7 which was taken into account in calculating the  
8 base income of an earlier taxable year, and

9 (ii) the addition modification relating to the  
10 net operating loss carried back or forward to the  
11 taxable year from any taxable year ending prior to  
12 December 31, 1986 shall not exceed the amount of  
13 such carryback or carryforward;

14 For taxable years in which there is a net  
15 operating loss carryback or carryforward from more  
16 than one other taxable year ending prior to December  
17 31, 1986, the addition modification provided in this  
18 subparagraph (E) shall be the sum of the amounts  
19 computed independently under the preceding provisions  
20 of this subparagraph (E) for each such taxable year;

21 (E-5) For taxable years ending after December 31,  
22 1997, an amount equal to any eligible remediation  
23 costs that the corporation deducted in computing  
24 adjusted gross income and for which the corporation  
25 claims a credit under subsection (l) of Section 201;

26 (E-10) For taxable years 2001 and thereafter, an

1 amount equal to the bonus depreciation deduction taken  
2 on the taxpayer's federal income tax return for the  
3 taxable year under subsection (k) of Section 168 of  
4 the Internal Revenue Code;

5 (E-11) If the taxpayer sells, transfers, abandons,  
6 or otherwise disposes of property for which the  
7 taxpayer was required in any taxable year to make an  
8 addition modification under subparagraph (E-10), then  
9 an amount equal to the aggregate amount of the  
10 deductions taken in all taxable years under  
11 subparagraph (T) with respect to that property.

12 If the taxpayer continues to own property through  
13 the last day of the last tax year for which a  
14 subtraction is allowed with respect to that property  
15 under subparagraph (T) and for which the taxpayer was  
16 allowed in any taxable year to make a subtraction  
17 modification under subparagraph (T), then an amount  
18 equal to that subtraction modification.

19 The taxpayer is required to make the addition  
20 modification under this subparagraph only once with  
21 respect to any one piece of property;

22 (E-12) An amount equal to the amount otherwise  
23 allowed as a deduction in computing base income for  
24 interest paid, accrued, or incurred, directly or  
25 indirectly, (i) for taxable years ending on or after  
26 December 31, 2004, to a foreign person who would be a



1 member of the same unitary business group but for the  
2 fact the foreign person's business activity outside  
3 the United States is 80% or more of the foreign  
4 person's total business activity and (ii) for taxable  
5 years ending on or after December 31, 2008, to a person  
6 who would be a member of the same unitary business  
7 group but for the fact that the person is prohibited  
8 under Section 1501(a)(27) from being included in the  
9 unitary business group because he or she is ordinarily  
10 required to apportion business income under different  
11 subsections of Section 304. The addition modification  
12 required by this subparagraph shall be reduced to the  
13 extent that dividends were included in base income of  
14 the unitary group for the same taxable year and  
15 received by the taxpayer or by a member of the  
16 taxpayer's unitary business group (including amounts  
17 included in gross income pursuant to Sections 951  
18 through 964 of the Internal Revenue Code and amounts  
19 included in gross income under Section 78 of the  
20 Internal Revenue Code) with respect to the stock of  
21 the same person to whom the interest was paid,  
22 accrued, or incurred.

23 This paragraph shall not apply to the following:

24 (i) an item of interest paid, accrued, or  
25 incurred, directly or indirectly, to a person who  
26 is subject in a foreign country or state, other

1 than a state which requires mandatory unitary  
2 reporting, to a tax on or measured by net income  
3 with respect to such interest; or

4 (ii) an item of interest paid, accrued, or  
5 incurred, directly or indirectly, to a person if  
6 the taxpayer can establish, based on a  
7 preponderance of the evidence, both of the  
8 following:

9 (a) the person, during the same taxable  
10 year, paid, accrued, or incurred, the interest  
11 to a person that is not a related member, and

12 (b) the transaction giving rise to the  
13 interest expense between the taxpayer and the  
14 person did not have as a principal purpose the  
15 avoidance of Illinois income tax, and is paid  
16 pursuant to a contract or agreement that  
17 reflects an arm's-length interest rate and  
18 terms; or

19 (iii) the taxpayer can establish, based on  
20 clear and convincing evidence, that the interest  
21 paid, accrued, or incurred relates to a contract  
22 or agreement entered into at arm's-length rates  
23 and terms and the principal purpose for the  
24 payment is not federal or Illinois tax avoidance;  
25 or

26 (iv) an item of interest paid, accrued, or

1           incurred, directly or indirectly, to a person if  
2           the taxpayer establishes by clear and convincing  
3           evidence that the adjustments are unreasonable; or  
4           if the taxpayer and the Director agree in writing  
5           to the application or use of an alternative method  
6           of apportionment under Section 304(f).

7           Nothing in this subsection shall preclude the  
8           Director from making any other adjustment  
9           otherwise allowed under Section 404 of this Act  
10          for any tax year beginning after the effective  
11          date of this amendment provided such adjustment is  
12          made pursuant to regulation adopted by the  
13          Department and such regulations provide methods  
14          and standards by which the Department will utilize  
15          its authority under Section 404 of this Act;

16          (E-13) An amount equal to the amount of intangible  
17          expenses and costs otherwise allowed as a deduction in  
18          computing base income, and that were paid, accrued, or  
19          incurred, directly or indirectly, (i) for taxable  
20          years ending on or after December 31, 2004, to a  
21          foreign person who would be a member of the same  
22          unitary business group but for the fact that the  
23          foreign person's business activity outside the United  
24          States is 80% or more of that person's total business  
25          activity and (ii) for taxable years ending on or after  
26          December 31, 2008, to a person who would be a member of

1 the same unitary business group but for the fact that  
2 the person is prohibited under Section 1501(a)(27)  
3 from being included in the unitary business group  
4 because he or she is ordinarily required to apportion  
5 business income under different subsections of Section  
6 304. The addition modification required by this  
7 subparagraph shall be reduced to the extent that  
8 dividends were included in base income of the unitary  
9 group for the same taxable year and received by the  
10 taxpayer or by a member of the taxpayer's unitary  
11 business group (including amounts included in gross  
12 income pursuant to Sections 951 through 964 of the  
13 Internal Revenue Code and amounts included in gross  
14 income under Section 78 of the Internal Revenue Code)  
15 with respect to the stock of the same person to whom  
16 the intangible expenses and costs were directly or  
17 indirectly paid, incurred, or accrued. The preceding  
18 sentence shall not apply to the extent that the same  
19 dividends caused a reduction to the addition  
20 modification required under Section 203(b)(2)(E-12) of  
21 this Act. As used in this subparagraph, the term  
22 "intangible expenses and costs" includes (1) expenses,  
23 losses, and costs for, or related to, the direct or  
24 indirect acquisition, use, maintenance or management,  
25 ownership, sale, exchange, or any other disposition of  
26 intangible property; (2) losses incurred, directly or

1 indirectly, from factoring transactions or discounting  
2 transactions; (3) royalty, patent, technical, and  
3 copyright fees; (4) licensing fees; and (5) other  
4 similar expenses and costs. For purposes of this  
5 subparagraph, "intangible property" includes patents,  
6 patent applications, trade names, trademarks, service  
7 marks, copyrights, mask works, trade secrets, and  
8 similar types of intangible assets.

9 This paragraph shall not apply to the following:

10 (i) any item of intangible expenses or costs  
11 paid, accrued, or incurred, directly or  
12 indirectly, from a transaction with a person who  
13 is subject in a foreign country or state, other  
14 than a state which requires mandatory unitary  
15 reporting, to a tax on or measured by net income  
16 with respect to such item; or

17 (ii) any item of intangible expense or cost  
18 paid, accrued, or incurred, directly or  
19 indirectly, if the taxpayer can establish, based  
20 on a preponderance of the evidence, both of the  
21 following:

22 (a) the person during the same taxable  
23 year paid, accrued, or incurred, the  
24 intangible expense or cost to a person that is  
25 not a related member, and

26 (b) the transaction giving rise to the

1 intangible expense or cost between the  
2 taxpayer and the person did not have as a  
3 principal purpose the avoidance of Illinois  
4 income tax, and is paid pursuant to a contract  
5 or agreement that reflects arm's-length terms;  
6 or

7 (iii) any item of intangible expense or cost  
8 paid, accrued, or incurred, directly or  
9 indirectly, from a transaction with a person if  
10 the taxpayer establishes by clear and convincing  
11 evidence, that the adjustments are unreasonable;  
12 or if the taxpayer and the Director agree in  
13 writing to the application or use of an  
14 alternative method of apportionment under Section  
15 304(f);

16 Nothing in this subsection shall preclude the  
17 Director from making any other adjustment  
18 otherwise allowed under Section 404 of this Act  
19 for any tax year beginning after the effective  
20 date of this amendment provided such adjustment is  
21 made pursuant to regulation adopted by the  
22 Department and such regulations provide methods  
23 and standards by which the Department will utilize  
24 its authority under Section 404 of this Act;

25 (E-14) For taxable years ending on or after  
26 December 31, 2008, an amount equal to the amount of

1 insurance premium expenses and costs otherwise allowed  
2 as a deduction in computing base income, and that were  
3 paid, accrued, or incurred, directly or indirectly, to  
4 a person who would be a member of the same unitary  
5 business group but for the fact that the person is  
6 prohibited under Section 1501(a)(27) from being  
7 included in the unitary business group because he or  
8 she is ordinarily required to apportion business  
9 income under different subsections of Section 304. The  
10 addition modification required by this subparagraph  
11 shall be reduced to the extent that dividends were  
12 included in base income of the unitary group for the  
13 same taxable year and received by the taxpayer or by a  
14 member of the taxpayer's unitary business group  
15 (including amounts included in gross income under  
16 Sections 951 through 964 of the Internal Revenue Code  
17 and amounts included in gross income under Section 78  
18 of the Internal Revenue Code) with respect to the  
19 stock of the same person to whom the premiums and costs  
20 were directly or indirectly paid, incurred, or  
21 accrued. The preceding sentence does not apply to the  
22 extent that the same dividends caused a reduction to  
23 the addition modification required under Section  
24 203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this  
25 Act;

26 (E-15) For taxable years beginning after December

1           31, 2008, any deduction for dividends paid by a  
2           captive real estate investment trust that is allowed  
3           to a real estate investment trust under Section  
4           857(b)(2)(B) of the Internal Revenue Code for  
5           dividends paid;

6           (E-16) An amount equal to the credit allowable to  
7           the taxpayer under Section 218(a) of this Act,  
8           determined without regard to Section 218(c) of this  
9           Act;

10          (E-17) For taxable years ending on or after  
11          December 31, 2017, an amount equal to the deduction  
12          allowed under Section 199 of the Internal Revenue Code  
13          for the taxable year;

14          (E-18) for taxable years beginning after December  
15          31, 2018, an amount equal to the deduction allowed  
16          under Section 250(a)(1)(A) of the Internal Revenue  
17          Code for the taxable year;

18          (E-19) for taxable years ending on or after June  
19          30, 2021, an amount equal to the deduction allowed  
20          under Section 250(a)(1)(B)(i) of the Internal Revenue  
21          Code for the taxable year;

22          (E-20) for taxable years ending on or after June  
23          30, 2021, an amount equal to the deduction allowed  
24          under Sections 243(e) and 245A(a) of the Internal  
25          Revenue Code for the taxable year;   

26          (E-21) the amount that is claimed as a federal



1           deduction when computing the taxpayer's federal  
2           taxable income for the taxable year and that is  
3           attributable to an endowment gift for which the  
4           taxpayer receives a credit under the Illinois Gives  
5           Tax Credit Act;

6           and by deducting from the total so obtained the sum of the  
7           following amounts:

8                     (F) An amount equal to the amount of any tax  
9                     imposed by this Act which was refunded to the taxpayer  
10                    and included in such total for the taxable year;

11                   (G) An amount equal to any amount included in such  
12                    total under Section 78 of the Internal Revenue Code;

13                   (H) In the case of a regulated investment company,  
14                    an amount equal to the amount of exempt interest  
15                    dividends as defined in subsection (b)(5) of Section  
16                    852 of the Internal Revenue Code, paid to shareholders  
17                    for the taxable year;

18                   (I) With the exception of any amounts subtracted  
19                    under subparagraph (J), an amount equal to the sum of  
20                    all amounts disallowed as deductions by (i) Sections  
21                    171(a)(2) and 265(a)(2) and amounts disallowed as  
22                    interest expense by Section 291(a)(3) of the Internal  
23                    Revenue Code, and all amounts of expenses allocable to  
24                    interest and disallowed as deductions by Section  
25                    265(a)(1) of the Internal Revenue Code; and (ii) for  
26                    taxable years ending on or after August 13, 1999,

1 Sections 171(a)(2), 265, 280C, 291(a)(3), and  
2 832(b)(5)(B)(i) of the Internal Revenue Code, plus,  
3 for tax years ending on or after December 31, 2011,  
4 amounts disallowed as deductions by Section 45G(e)(3)  
5 of the Internal Revenue Code and, for taxable years  
6 ending on or after December 31, 2008, any amount  
7 included in gross income under Section 87 of the  
8 Internal Revenue Code and the policyholders' share of  
9 tax-exempt interest of a life insurance company under  
10 Section 807(a)(2)(B) of the Internal Revenue Code (in  
11 the case of a life insurance company with gross income  
12 from a decrease in reserves for the tax year) or  
13 Section 807(b)(1)(B) of the Internal Revenue Code (in  
14 the case of a life insurance company allowed a  
15 deduction for an increase in reserves for the tax  
16 year); the provisions of this subparagraph are exempt  
17 from the provisions of Section 250;

18 (J) An amount equal to all amounts included in  
19 such total which are exempt from taxation by this  
20 State either by reason of its statutes or Constitution  
21 or by reason of the Constitution, treaties or statutes  
22 of the United States; provided that, in the case of any  
23 statute of this State that exempts income derived from  
24 bonds or other obligations from the tax imposed under  
25 this Act, the amount exempted shall be the interest  
26 net of bond premium amortization;

1           (K) An amount equal to those dividends included in  
2 such total which were paid by a corporation which  
3 conducts business operations in a River Edge  
4 Redevelopment Zone or zones created under the River  
5 Edge Redevelopment Zone Act and conducts substantially  
6 all of its operations in a River Edge Redevelopment  
7 Zone or zones. This subparagraph (K) is exempt from  
8 the provisions of Section 250;

9           (L) An amount equal to those dividends included in  
10 such total that were paid by a corporation that  
11 conducts business operations in a federally designated  
12 Foreign Trade Zone or Sub-Zone and that is designated  
13 a High Impact Business located in Illinois; provided  
14 that dividends eligible for the deduction provided in  
15 subparagraph (K) of paragraph 2 of this subsection  
16 shall not be eligible for the deduction provided under  
17 this subparagraph (L);

18           (M) For any taxpayer that is a financial  
19 organization within the meaning of Section 304(c) of  
20 this Act, an amount included in such total as interest  
21 income from a loan or loans made by such taxpayer to a  
22 borrower, to the extent that such a loan is secured by  
23 property which is eligible for the River Edge  
24 Redevelopment Zone Investment Credit. To determine the  
25 portion of a loan or loans that is secured by property  
26 eligible for a Section 201(f) investment credit to the

1 borrower, the entire principal amount of the loan or  
2 loans between the taxpayer and the borrower should be  
3 divided into the basis of the Section 201(f)  
4 investment credit property which secures the loan or  
5 loans, using for this purpose the original basis of  
6 such property on the date that it was placed in service  
7 in the River Edge Redevelopment Zone. The subtraction  
8 modification available to the taxpayer in any year  
9 under this subsection shall be that portion of the  
10 total interest paid by the borrower with respect to  
11 such loan attributable to the eligible property as  
12 calculated under the previous sentence. This  
13 subparagraph (M) is exempt from the provisions of  
14 Section 250;

15 (M-1) For any taxpayer that is a financial  
16 organization within the meaning of Section 304(c) of  
17 this Act, an amount included in such total as interest  
18 income from a loan or loans made by such taxpayer to a  
19 borrower, to the extent that such a loan is secured by  
20 property which is eligible for the High Impact  
21 Business Investment Credit. To determine the portion  
22 of a loan or loans that is secured by property eligible  
23 for a Section 201(h) investment credit to the  
24 borrower, the entire principal amount of the loan or  
25 loans between the taxpayer and the borrower should be  
26 divided into the basis of the Section 201(h)

1 investment credit property which secures the loan or  
2 loans, using for this purpose the original basis of  
3 such property on the date that it was placed in service  
4 in a federally designated Foreign Trade Zone or  
5 Sub-Zone located in Illinois. No taxpayer that is  
6 eligible for the deduction provided in subparagraph  
7 (M) of paragraph (2) of this subsection shall be  
8 eligible for the deduction provided under this  
9 subparagraph (M-1). The subtraction modification  
10 available to taxpayers in any year under this  
11 subsection shall be that portion of the total interest  
12 paid by the borrower with respect to such loan  
13 attributable to the eligible property as calculated  
14 under the previous sentence;

15 (N) Two times any contribution made during the  
16 taxable year to a designated zone organization to the  
17 extent that the contribution (i) qualifies as a  
18 charitable contribution under subsection (c) of  
19 Section 170 of the Internal Revenue Code and (ii)  
20 must, by its terms, be used for a project approved by  
21 the Department of Commerce and Economic Opportunity  
22 under Section 11 of the Illinois Enterprise Zone Act  
23 or under Section 10-10 of the River Edge Redevelopment  
24 Zone Act. This subparagraph (N) is exempt from the  
25 provisions of Section 250;

26 (O) An amount equal to: (i) 85% for taxable years

1 ending on or before December 31, 1992, or, a  
2 percentage equal to the percentage allowable under  
3 Section 243(a)(1) of the Internal Revenue Code of 1986  
4 for taxable years ending after December 31, 1992, of  
5 the amount by which dividends included in taxable  
6 income and received from a corporation that is not  
7 created or organized under the laws of the United  
8 States or any state or political subdivision thereof,  
9 including, for taxable years ending on or after  
10 December 31, 1988, dividends received or deemed  
11 received or paid or deemed paid under Sections 951  
12 through 965 of the Internal Revenue Code, exceed the  
13 amount of the modification provided under subparagraph  
14 (G) of paragraph (2) of this subsection (b) which is  
15 related to such dividends, and including, for taxable  
16 years ending on or after December 31, 2008, dividends  
17 received from a captive real estate investment trust;  
18 plus (ii) 100% of the amount by which dividends,  
19 included in taxable income and received, including,  
20 for taxable years ending on or after December 31,  
21 1988, dividends received or deemed received or paid or  
22 deemed paid under Sections 951 through 964 of the  
23 Internal Revenue Code and including, for taxable years  
24 ending on or after December 31, 2008, dividends  
25 received from a captive real estate investment trust,  
26 from any such corporation specified in clause (i) that

1 would but for the provisions of Section 1504(b)(3) of  
2 the Internal Revenue Code be treated as a member of the  
3 affiliated group which includes the dividend  
4 recipient, exceed the amount of the modification  
5 provided under subparagraph (G) of paragraph (2) of  
6 this subsection (b) which is related to such  
7 dividends. For taxable years ending on or after June  
8 30, 2021, (i) for purposes of this subparagraph, the  
9 term "dividend" does not include any amount treated as  
10 a dividend under Section 1248 of the Internal Revenue  
11 Code, and (ii) this subparagraph shall not apply to  
12 dividends for which a deduction is allowed under  
13 Section 245(a) of the Internal Revenue Code. This  
14 subparagraph (O) is exempt from the provisions of  
15 Section 250 of this Act;

16 (P) An amount equal to any contribution made to a  
17 job training project established pursuant to the Tax  
18 Increment Allocation Redevelopment Act;

19 (Q) An amount equal to the amount of the deduction  
20 used to compute the federal income tax credit for  
21 restoration of substantial amounts held under claim of  
22 right for the taxable year pursuant to Section 1341 of  
23 the Internal Revenue Code;

24 (R) On and after July 20, 1999, in the case of an  
25 attorney-in-fact with respect to whom an interinsurer  
26 or a reciprocal insurer has made the election under

1 Section 835 of the Internal Revenue Code, 26 U.S.C.  
2 835, an amount equal to the excess, if any, of the  
3 amounts paid or incurred by that interinsurer or  
4 reciprocal insurer in the taxable year to the  
5 attorney-in-fact over the deduction allowed to that  
6 interinsurer or reciprocal insurer with respect to the  
7 attorney-in-fact under Section 835(b) of the Internal  
8 Revenue Code for the taxable year; the provisions of  
9 this subparagraph are exempt from the provisions of  
10 Section 250;

11 (S) For taxable years ending on or after December  
12 31, 1997, in the case of a Subchapter S corporation, an  
13 amount equal to all amounts of income allocable to a  
14 shareholder subject to the Personal Property Tax  
15 Replacement Income Tax imposed by subsections (c) and  
16 (d) of Section 201 of this Act, including amounts  
17 allocable to organizations exempt from federal income  
18 tax by reason of Section 501(a) of the Internal  
19 Revenue Code. This subparagraph (S) is exempt from the  
20 provisions of Section 250;

21 (T) For taxable years 2001 and thereafter, for the  
22 taxable year in which the bonus depreciation deduction  
23 is taken on the taxpayer's federal income tax return  
24 under subsection (k) of Section 168 of the Internal  
25 Revenue Code and for each applicable taxable year  
26 thereafter, an amount equal to "x", where:



1           (1) "y" equals the amount of the depreciation  
2 deduction taken for the taxable year on the  
3 taxpayer's federal income tax return on property  
4 for which the bonus depreciation deduction was  
5 taken in any year under subsection (k) of Section  
6 168 of the Internal Revenue Code, but not  
7 including the bonus depreciation deduction;

8           (2) for taxable years ending on or before  
9 December 31, 2005, "x" equals "y" multiplied by 30  
10 and then divided by 70 (or "y" multiplied by  
11 0.429); and

12           (3) for taxable years ending after December  
13 31, 2005:

14           (i) for property on which a bonus  
15 depreciation deduction of 30% of the adjusted  
16 basis was taken, "x" equals "y" multiplied by  
17 30 and then divided by 70 (or "y" multiplied  
18 by 0.429);

19           (ii) for property on which a bonus  
20 depreciation deduction of 50% of the adjusted  
21 basis was taken, "x" equals "y" multiplied by  
22 1.0;

23           (iii) for property on which a bonus  
24 depreciation deduction of 100% of the adjusted  
25 basis was taken in a taxable year ending on or  
26 after December 31, 2021, "x" equals the

1 depreciation deduction that would be allowed  
2 on that property if the taxpayer had made the  
3 election under Section 168(k)(7) of the  
4 Internal Revenue Code to not claim bonus  
5 depreciation on that property; and

6 (iv) for property on which a bonus  
7 depreciation deduction of a percentage other  
8 than 30%, 50% or 100% of the adjusted basis  
9 was taken in a taxable year ending on or after  
10 December 31, 2021, "x" equals "y" multiplied  
11 by 100 times the percentage bonus depreciation  
12 on the property (that is,  $100(\text{bonus}\%)$ ) and  
13 then divided by 100 times 1 minus the  
14 percentage bonus depreciation on the property  
15 (that is,  $100(1-\text{bonus}\%)$ ).

16 The aggregate amount deducted under this  
17 subparagraph in all taxable years for any one piece of  
18 property may not exceed the amount of the bonus  
19 depreciation deduction taken on that property on the  
20 taxpayer's federal income tax return under subsection  
21 (k) of Section 168 of the Internal Revenue Code. This  
22 subparagraph (T) is exempt from the provisions of  
23 Section 250;

24 (U) If the taxpayer sells, transfers, abandons, or  
25 otherwise disposes of property for which the taxpayer  
26 was required in any taxable year to make an addition

1 modification under subparagraph (E-10), then an amount  
2 equal to that addition modification.

3 If the taxpayer continues to own property through  
4 the last day of the last tax year for which a  
5 subtraction is allowed with respect to that property  
6 under subparagraph (T) and for which the taxpayer was  
7 required in any taxable year to make an addition  
8 modification under subparagraph (E-10), then an amount  
9 equal to that addition modification.

10 The taxpayer is allowed to take the deduction  
11 under this subparagraph only once with respect to any  
12 one piece of property.

13 This subparagraph (U) is exempt from the  
14 provisions of Section 250;

15 (V) The amount of: (i) any interest income (net of  
16 the deductions allocable thereto) taken into account  
17 for the taxable year with respect to a transaction  
18 with a taxpayer that is required to make an addition  
19 modification with respect to such transaction under  
20 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
21 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
22 the amount of such addition modification, (ii) any  
23 income from intangible property (net of the deductions  
24 allocable thereto) taken into account for the taxable  
25 year with respect to a transaction with a taxpayer  
26 that is required to make an addition modification with

1           respect to such transaction under Section  
2           203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
3           203(d)(2)(D-8), but not to exceed the amount of such  
4           addition modification, and (iii) any insurance premium  
5           income (net of deductions allocable thereto) taken  
6           into account for the taxable year with respect to a  
7           transaction with a taxpayer that is required to make  
8           an addition modification with respect to such  
9           transaction under Section 203(a)(2)(D-19), Section  
10          203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section  
11          203(d)(2)(D-9), but not to exceed the amount of that  
12          addition modification. This subparagraph (V) is exempt  
13          from the provisions of Section 250;

14                 (W) An amount equal to the interest income taken  
15                 into account for the taxable year (net of the  
16                 deductions allocable thereto) with respect to  
17                 transactions with (i) a foreign person who would be a  
18                 member of the taxpayer's unitary business group but  
19                 for the fact that the foreign person's business  
20                 activity outside the United States is 80% or more of  
21                 that person's total business activity and (ii) for  
22                 taxable years ending on or after December 31, 2008, to  
23                 a person who would be a member of the same unitary  
24                 business group but for the fact that the person is  
25                 prohibited under Section 1501(a)(27) from being  
26                 included in the unitary business group because he or

1 she is ordinarily required to apportion business  
2 income under different subsections of Section 304, but  
3 not to exceed the addition modification required to be  
4 made for the same taxable year under Section  
5 203(b)(2)(E-12) for interest paid, accrued, or  
6 incurred, directly or indirectly, to the same person.  
7 This subparagraph (W) is exempt from the provisions of  
8 Section 250;

9 (X) An amount equal to the income from intangible  
10 property taken into account for the taxable year (net  
11 of the deductions allocable thereto) with respect to  
12 transactions with (i) a foreign person who would be a  
13 member of the taxpayer's unitary business group but  
14 for the fact that the foreign person's business  
15 activity outside the United States is 80% or more of  
16 that person's total business activity and (ii) for  
17 taxable years ending on or after December 31, 2008, to  
18 a person who would be a member of the same unitary  
19 business group but for the fact that the person is  
20 prohibited under Section 1501(a)(27) from being  
21 included in the unitary business group because he or  
22 she is ordinarily required to apportion business  
23 income under different subsections of Section 304, but  
24 not to exceed the addition modification required to be  
25 made for the same taxable year under Section  
26 203(b)(2)(E-13) for intangible expenses and costs

1           paid, accrued, or incurred, directly or indirectly, to  
2           the same foreign person. This subparagraph (X) is  
3           exempt from the provisions of Section 250;

4           (Y) For taxable years ending on or after December  
5           31, 2011, in the case of a taxpayer who was required to  
6           add back any insurance premiums under Section  
7           203(b)(2)(E-14), such taxpayer may elect to subtract  
8           that part of a reimbursement received from the  
9           insurance company equal to the amount of the expense  
10          or loss (including expenses incurred by the insurance  
11          company) that would have been taken into account as a  
12          deduction for federal income tax purposes if the  
13          expense or loss had been uninsured. If a taxpayer  
14          makes the election provided for by this subparagraph  
15          (Y), the insurer to which the premiums were paid must  
16          add back to income the amount subtracted by the  
17          taxpayer pursuant to this subparagraph (Y). This  
18          subparagraph (Y) is exempt from the provisions of  
19          Section 250;

20          (Z) The difference between the nondeductible  
21          controlled foreign corporation dividends under Section  
22          965(e)(3) of the Internal Revenue Code over the  
23          taxable income of the taxpayer, computed without  
24          regard to Section 965(e)(2)(A) of the Internal Revenue  
25          Code, and without regard to any net operating loss  
26          deduction. This subparagraph (Z) is exempt from the

1 provisions of Section 250; and

2 (AA) For taxable years beginning on or after  
3 January 1, 2023, for any cannabis establishment  
4 operating in this State and licensed under the  
5 Cannabis Regulation and Tax Act or any cannabis  
6 cultivation center or medical cannabis dispensing  
7 organization operating in this State and licensed  
8 under the Compassionate Use of Medical Cannabis  
9 Program Act, an amount equal to the deductions that  
10 were disallowed under Section 280E of the Internal  
11 Revenue Code for the taxable year and that would not be  
12 added back under this subsection. The provisions of  
13 this subparagraph (AA) are exempt from the provisions  
14 of Section 250.

15 (3) Special rule. For purposes of paragraph (2)(A),  
16 "gross income" in the case of a life insurance company,  
17 for tax years ending on and after December 31, 1994, and  
18 prior to December 31, 2011, shall mean the gross  
19 investment income for the taxable year and, for tax years  
20 ending on or after December 31, 2011, shall mean all  
21 amounts included in life insurance gross income under  
22 Section 803(a)(3) of the Internal Revenue Code.

23 (c) Trusts and estates.

24 (1) In general. In the case of a trust or estate, base  
25 income means an amount equal to the taxpayer's taxable

1 income for the taxable year as modified by paragraph (2).

2 (2) Modifications. Subject to the provisions of  
3 paragraph (3), the taxable income referred to in paragraph  
4 (1) shall be modified by adding thereto the sum of the  
5 following amounts:

6 (A) An amount equal to all amounts paid or accrued  
7 to the taxpayer as interest or dividends during the  
8 taxable year to the extent excluded from gross income  
9 in the computation of taxable income;

10 (B) In the case of (i) an estate, \$600; (ii) a  
11 trust which, under its governing instrument, is  
12 required to distribute all of its income currently,  
13 \$300; and (iii) any other trust, \$100, but in each such  
14 case, only to the extent such amount was deducted in  
15 the computation of taxable income;

16 (C) An amount equal to the amount of tax imposed by  
17 this Act to the extent deducted from gross income in  
18 the computation of taxable income for the taxable  
19 year;

20 (D) The amount of any net operating loss deduction  
21 taken in arriving at taxable income, other than a net  
22 operating loss carried forward from a taxable year  
23 ending prior to December 31, 1986;

24 (E) For taxable years in which a net operating  
25 loss carryback or carryforward from a taxable year  
26 ending prior to December 31, 1986 is an element of



1 taxable income under paragraph (1) of subsection (e)  
2 or subparagraph (E) of paragraph (2) of subsection  
3 (e), the amount by which addition modifications other  
4 than those provided by this subparagraph (E) exceeded  
5 subtraction modifications in such taxable year, with  
6 the following limitations applied in the order that  
7 they are listed:

8 (i) the addition modification relating to the  
9 net operating loss carried back or forward to the  
10 taxable year from any taxable year ending prior to  
11 December 31, 1986 shall be reduced by the amount  
12 of addition modification under this subparagraph  
13 (E) which related to that net operating loss and  
14 which was taken into account in calculating the  
15 base income of an earlier taxable year, and

16 (ii) the addition modification relating to the  
17 net operating loss carried back or forward to the  
18 taxable year from any taxable year ending prior to  
19 December 31, 1986 shall not exceed the amount of  
20 such carryback or carryforward;

21 For taxable years in which there is a net  
22 operating loss carryback or carryforward from more  
23 than one other taxable year ending prior to December  
24 31, 1986, the addition modification provided in this  
25 subparagraph (E) shall be the sum of the amounts  
26 computed independently under the preceding provisions

1 of this subparagraph (E) for each such taxable year;

2 (F) For taxable years ending on or after January  
3 1, 1989, an amount equal to the tax deducted pursuant  
4 to Section 164 of the Internal Revenue Code if the  
5 trust or estate is claiming the same tax for purposes  
6 of the Illinois foreign tax credit under Section 601  
7 of this Act;

8 (G) An amount equal to the amount of the capital  
9 gain deduction allowable under the Internal Revenue  
10 Code, to the extent deducted from gross income in the  
11 computation of taxable income;

12 (G-5) For taxable years ending after December 31,  
13 1997, an amount equal to any eligible remediation  
14 costs that the trust or estate deducted in computing  
15 adjusted gross income and for which the trust or  
16 estate claims a credit under subsection (l) of Section  
17 201;

18 (G-10) For taxable years 2001 and thereafter, an  
19 amount equal to the bonus depreciation deduction taken  
20 on the taxpayer's federal income tax return for the  
21 taxable year under subsection (k) of Section 168 of  
22 the Internal Revenue Code; and

23 (G-11) If the taxpayer sells, transfers, abandons,  
24 or otherwise disposes of property for which the  
25 taxpayer was required in any taxable year to make an  
26 addition modification under subparagraph (G-10), then

1 an amount equal to the aggregate amount of the  
2 deductions taken in all taxable years under  
3 subparagraph (R) with respect to that property.

4 If the taxpayer continues to own property through  
5 the last day of the last tax year for which a  
6 subtraction is allowed with respect to that property  
7 under subparagraph (R) and for which the taxpayer was  
8 allowed in any taxable year to make a subtraction  
9 modification under subparagraph (R), then an amount  
10 equal to that subtraction modification.

11 The taxpayer is required to make the addition  
12 modification under this subparagraph only once with  
13 respect to any one piece of property;

14 (G-12) An amount equal to the amount otherwise  
15 allowed as a deduction in computing base income for  
16 interest paid, accrued, or incurred, directly or  
17 indirectly, (i) for taxable years ending on or after  
18 December 31, 2004, to a foreign person who would be a  
19 member of the same unitary business group but for the  
20 fact that the foreign person's business activity  
21 outside the United States is 80% or more of the foreign  
22 person's total business activity and (ii) for taxable  
23 years ending on or after December 31, 2008, to a person  
24 who would be a member of the same unitary business  
25 group but for the fact that the person is prohibited  
26 under Section 1501(a)(27) from being included in the

1 unitary business group because he or she is ordinarily  
2 required to apportion business income under different  
3 subsections of Section 304. The addition modification  
4 required by this subparagraph shall be reduced to the  
5 extent that dividends were included in base income of  
6 the unitary group for the same taxable year and  
7 received by the taxpayer or by a member of the  
8 taxpayer's unitary business group (including amounts  
9 included in gross income pursuant to Sections 951  
10 through 964 of the Internal Revenue Code and amounts  
11 included in gross income under Section 78 of the  
12 Internal Revenue Code) with respect to the stock of  
13 the same person to whom the interest was paid,  
14 accrued, or incurred.

15 This paragraph shall not apply to the following:

16 (i) an item of interest paid, accrued, or  
17 incurred, directly or indirectly, to a person who  
18 is subject in a foreign country or state, other  
19 than a state which requires mandatory unitary  
20 reporting, to a tax on or measured by net income  
21 with respect to such interest; or

22 (ii) an item of interest paid, accrued, or  
23 incurred, directly or indirectly, to a person if  
24 the taxpayer can establish, based on a  
25 preponderance of the evidence, both of the  
26 following:

1 (a) the person, during the same taxable  
2 year, paid, accrued, or incurred, the interest  
3 to a person that is not a related member, and

4 (b) the transaction giving rise to the  
5 interest expense between the taxpayer and the  
6 person did not have as a principal purpose the  
7 avoidance of Illinois income tax, and is paid  
8 pursuant to a contract or agreement that  
9 reflects an arm's-length interest rate and  
10 terms; or

11 (iii) the taxpayer can establish, based on  
12 clear and convincing evidence, that the interest  
13 paid, accrued, or incurred relates to a contract  
14 or agreement entered into at arm's-length rates  
15 and terms and the principal purpose for the  
16 payment is not federal or Illinois tax avoidance;  
17 or

18 (iv) an item of interest paid, accrued, or  
19 incurred, directly or indirectly, to a person if  
20 the taxpayer establishes by clear and convincing  
21 evidence that the adjustments are unreasonable; or  
22 if the taxpayer and the Director agree in writing  
23 to the application or use of an alternative method  
24 of apportionment under Section 304(f).

25 Nothing in this subsection shall preclude the  
26 Director from making any other adjustment

1 otherwise allowed under Section 404 of this Act  
2 for any tax year beginning after the effective  
3 date of this amendment provided such adjustment is  
4 made pursuant to regulation adopted by the  
5 Department and such regulations provide methods  
6 and standards by which the Department will utilize  
7 its authority under Section 404 of this Act;

8 (G-13) An amount equal to the amount of intangible  
9 expenses and costs otherwise allowed as a deduction in  
10 computing base income, and that were paid, accrued, or  
11 incurred, directly or indirectly, (i) for taxable  
12 years ending on or after December 31, 2004, to a  
13 foreign person who would be a member of the same  
14 unitary business group but for the fact that the  
15 foreign person's business activity outside the United  
16 States is 80% or more of that person's total business  
17 activity and (ii) for taxable years ending on or after  
18 December 31, 2008, to a person who would be a member of  
19 the same unitary business group but for the fact that  
20 the person is prohibited under Section 1501(a)(27)  
21 from being included in the unitary business group  
22 because he or she is ordinarily required to apportion  
23 business income under different subsections of Section  
24 304. The addition modification required by this  
25 subparagraph shall be reduced to the extent that  
26 dividends were included in base income of the unitary

1 group for the same taxable year and received by the  
2 taxpayer or by a member of the taxpayer's unitary  
3 business group (including amounts included in gross  
4 income pursuant to Sections 951 through 964 of the  
5 Internal Revenue Code and amounts included in gross  
6 income under Section 78 of the Internal Revenue Code)  
7 with respect to the stock of the same person to whom  
8 the intangible expenses and costs were directly or  
9 indirectly paid, incurred, or accrued. The preceding  
10 sentence shall not apply to the extent that the same  
11 dividends caused a reduction to the addition  
12 modification required under Section 203(c)(2)(G-12) of  
13 this Act. As used in this subparagraph, the term  
14 "intangible expenses and costs" includes: (1)  
15 expenses, losses, and costs for or related to the  
16 direct or indirect acquisition, use, maintenance or  
17 management, ownership, sale, exchange, or any other  
18 disposition of intangible property; (2) losses  
19 incurred, directly or indirectly, from factoring  
20 transactions or discounting transactions; (3) royalty,  
21 patent, technical, and copyright fees; (4) licensing  
22 fees; and (5) other similar expenses and costs. For  
23 purposes of this subparagraph, "intangible property"  
24 includes patents, patent applications, trade names,  
25 trademarks, service marks, copyrights, mask works,  
26 trade secrets, and similar types of intangible assets.

1 This paragraph shall not apply to the following:

2 (i) any item of intangible expenses or costs  
3 paid, accrued, or incurred, directly or  
4 indirectly, from a transaction with a person who  
5 is subject in a foreign country or state, other  
6 than a state which requires mandatory unitary  
7 reporting, to a tax on or measured by net income  
8 with respect to such item; or

9 (ii) any item of intangible expense or cost  
10 paid, accrued, or incurred, directly or  
11 indirectly, if the taxpayer can establish, based  
12 on a preponderance of the evidence, both of the  
13 following:

14 (a) the person during the same taxable  
15 year paid, accrued, or incurred, the  
16 intangible expense or cost to a person that is  
17 not a related member, and

18 (b) the transaction giving rise to the  
19 intangible expense or cost between the  
20 taxpayer and the person did not have as a  
21 principal purpose the avoidance of Illinois  
22 income tax, and is paid pursuant to a contract  
23 or agreement that reflects arm's-length terms;  
24 or

25 (iii) any item of intangible expense or cost  
26 paid, accrued, or incurred, directly or



1 indirectly, from a transaction with a person if  
2 the taxpayer establishes by clear and convincing  
3 evidence, that the adjustments are unreasonable;  
4 or if the taxpayer and the Director agree in  
5 writing to the application or use of an  
6 alternative method of apportionment under Section  
7 304(f);

8 Nothing in this subsection shall preclude the  
9 Director from making any other adjustment  
10 otherwise allowed under Section 404 of this Act  
11 for any tax year beginning after the effective  
12 date of this amendment provided such adjustment is  
13 made pursuant to regulation adopted by the  
14 Department and such regulations provide methods  
15 and standards by which the Department will utilize  
16 its authority under Section 404 of this Act;

17 (G-14) For taxable years ending on or after  
18 December 31, 2008, an amount equal to the amount of  
19 insurance premium expenses and costs otherwise allowed  
20 as a deduction in computing base income, and that were  
21 paid, accrued, or incurred, directly or indirectly, to  
22 a person who would be a member of the same unitary  
23 business group but for the fact that the person is  
24 prohibited under Section 1501(a)(27) from being  
25 included in the unitary business group because he or  
26 she is ordinarily required to apportion business

1 income under different subsections of Section 304. The  
2 addition modification required by this subparagraph  
3 shall be reduced to the extent that dividends were  
4 included in base income of the unitary group for the  
5 same taxable year and received by the taxpayer or by a  
6 member of the taxpayer's unitary business group  
7 (including amounts included in gross income under  
8 Sections 951 through 964 of the Internal Revenue Code  
9 and amounts included in gross income under Section 78  
10 of the Internal Revenue Code) with respect to the  
11 stock of the same person to whom the premiums and costs  
12 were directly or indirectly paid, incurred, or  
13 accrued. The preceding sentence does not apply to the  
14 extent that the same dividends caused a reduction to  
15 the addition modification required under Section  
16 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this  
17 Act;

18 (G-15) An amount equal to the credit allowable to  
19 the taxpayer under Section 218(a) of this Act,  
20 determined without regard to Section 218(c) of this  
21 Act;

22 (G-16) For taxable years ending on or after  
23 December 31, 2017, an amount equal to the deduction  
24 allowed under Section 199 of the Internal Revenue Code  
25 for the taxable year;

26 (G-17) the amount that is claimed as a federal

1           deduction when computing the taxpayer's federal  
2           taxable income for the taxable year and that is  
3           attributable to an endowment gift for which the  
4           taxpayer receives a credit under the Illinois Gives  
5           Tax Credit Act;

6           and by deducting from the total so obtained the sum of the  
7           following amounts:

8                   (H) An amount equal to all amounts included in  
9                   such total pursuant to the provisions of Sections  
10                   402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408  
11                   of the Internal Revenue Code or included in such total  
12                   as distributions under the provisions of any  
13                   retirement or disability plan for employees of any  
14                   governmental agency or unit, or retirement payments to  
15                   retired partners, which payments are excluded in  
16                   computing net earnings from self employment by Section  
17                   1402 of the Internal Revenue Code and regulations  
18                   adopted pursuant thereto;

19                   (I) The valuation limitation amount;

20                   (J) An amount equal to the amount of any tax  
21                   imposed by this Act which was refunded to the taxpayer  
22                   and included in such total for the taxable year;

23                   (K) An amount equal to all amounts included in  
24                   taxable income as modified by subparagraphs (A), (B),  
25                   (C), (D), (E), (F) and (G) which are exempt from  
26                   taxation by this State either by reason of its

1 statutes or Constitution or by reason of the  
2 Constitution, treaties or statutes of the United  
3 States; provided that, in the case of any statute of  
4 this State that exempts income derived from bonds or  
5 other obligations from the tax imposed under this Act,  
6 the amount exempted shall be the interest net of bond  
7 premium amortization;

8 (L) With the exception of any amounts subtracted  
9 under subparagraph (K), an amount equal to the sum of  
10 all amounts disallowed as deductions by (i) Sections  
11 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
12 and all amounts of expenses allocable to interest and  
13 disallowed as deductions by Section 265(a)(1) of the  
14 Internal Revenue Code; and (ii) for taxable years  
15 ending on or after August 13, 1999, Sections  
16 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
17 Internal Revenue Code, plus, (iii) for taxable years  
18 ending on or after December 31, 2011, Section  
19 45G(e)(3) of the Internal Revenue Code and, for  
20 taxable years ending on or after December 31, 2008,  
21 any amount included in gross income under Section 87  
22 of the Internal Revenue Code; the provisions of this  
23 subparagraph are exempt from the provisions of Section  
24 250;

25 (M) An amount equal to those dividends included in  
26 such total which were paid by a corporation which

1           conducts business operations in a River Edge  
2           Redevelopment Zone or zones created under the River  
3           Edge Redevelopment Zone Act and conducts substantially  
4           all of its operations in a River Edge Redevelopment  
5           Zone or zones. This subparagraph (M) is exempt from  
6           the provisions of Section 250;

7           (N) An amount equal to any contribution made to a  
8           job training project established pursuant to the Tax  
9           Increment Allocation Redevelopment Act;

10          (O) An amount equal to those dividends included in  
11          such total that were paid by a corporation that  
12          conducts business operations in a federally designated  
13          Foreign Trade Zone or Sub-Zone and that is designated  
14          a High Impact Business located in Illinois; provided  
15          that dividends eligible for the deduction provided in  
16          subparagraph (M) of paragraph (2) of this subsection  
17          shall not be eligible for the deduction provided under  
18          this subparagraph (O);

19          (P) An amount equal to the amount of the deduction  
20          used to compute the federal income tax credit for  
21          restoration of substantial amounts held under claim of  
22          right for the taxable year pursuant to Section 1341 of  
23          the Internal Revenue Code;

24          (Q) For taxable year 1999 and thereafter, an  
25          amount equal to the amount of any (i) distributions,  
26          to the extent includible in gross income for federal

1 income tax purposes, made to the taxpayer because of  
2 his or her status as a victim of persecution for racial  
3 or religious reasons by Nazi Germany or any other Axis  
4 regime or as an heir of the victim and (ii) items of  
5 income, to the extent includible in gross income for  
6 federal income tax purposes, attributable to, derived  
7 from or in any way related to assets stolen from,  
8 hidden from, or otherwise lost to a victim of  
9 persecution for racial or religious reasons by Nazi  
10 Germany or any other Axis regime immediately prior to,  
11 during, and immediately after World War II, including,  
12 but not limited to, interest on the proceeds  
13 receivable as insurance under policies issued to a  
14 victim of persecution for racial or religious reasons  
15 by Nazi Germany or any other Axis regime by European  
16 insurance companies immediately prior to and during  
17 World War II; provided, however, this subtraction from  
18 federal adjusted gross income does not apply to assets  
19 acquired with such assets or with the proceeds from  
20 the sale of such assets; provided, further, this  
21 paragraph shall only apply to a taxpayer who was the  
22 first recipient of such assets after their recovery  
23 and who is a victim of persecution for racial or  
24 religious reasons by Nazi Germany or any other Axis  
25 regime or as an heir of the victim. The amount of and  
26 the eligibility for any public assistance, benefit, or

1 similar entitlement is not affected by the inclusion  
2 of items (i) and (ii) of this paragraph in gross income  
3 for federal income tax purposes. This paragraph is  
4 exempt from the provisions of Section 250;

5 (R) For taxable years 2001 and thereafter, for the  
6 taxable year in which the bonus depreciation deduction  
7 is taken on the taxpayer's federal income tax return  
8 under subsection (k) of Section 168 of the Internal  
9 Revenue Code and for each applicable taxable year  
10 thereafter, an amount equal to "x", where:

11 (1) "y" equals the amount of the depreciation  
12 deduction taken for the taxable year on the  
13 taxpayer's federal income tax return on property  
14 for which the bonus depreciation deduction was  
15 taken in any year under subsection (k) of Section  
16 168 of the Internal Revenue Code, but not  
17 including the bonus depreciation deduction;

18 (2) for taxable years ending on or before  
19 December 31, 2005, "x" equals "y" multiplied by 30  
20 and then divided by 70 (or "y" multiplied by  
21 0.429); and

22 (3) for taxable years ending after December  
23 31, 2005:

24 (i) for property on which a bonus  
25 depreciation deduction of 30% of the adjusted  
26 basis was taken, "x" equals "y" multiplied by

1 30 and then divided by 70 (or "y" multiplied  
2 by 0.429);

3 (ii) for property on which a bonus  
4 depreciation deduction of 50% of the adjusted  
5 basis was taken, "x" equals "y" multiplied by  
6 1.0;

7 (iii) for property on which a bonus  
8 depreciation deduction of 100% of the adjusted  
9 basis was taken in a taxable year ending on or  
10 after December 31, 2021, "x" equals the  
11 depreciation deduction that would be allowed  
12 on that property if the taxpayer had made the  
13 election under Section 168(k)(7) of the  
14 Internal Revenue Code to not claim bonus  
15 depreciation on that property; and

16 (iv) for property on which a bonus  
17 depreciation deduction of a percentage other  
18 than 30%, 50% or 100% of the adjusted basis  
19 was taken in a taxable year ending on or after  
20 December 31, 2021, "x" equals "y" multiplied  
21 by 100 times the percentage bonus depreciation  
22 on the property (that is,  $100(\text{bonus}\%)$ ) and  
23 then divided by 100 times 1 minus the  
24 percentage bonus depreciation on the property  
25 (that is,  $100(1-\text{bonus}\%)$ ).

26 The aggregate amount deducted under this



1           subparagraph in all taxable years for any one piece of  
2           property may not exceed the amount of the bonus  
3           depreciation deduction taken on that property on the  
4           taxpayer's federal income tax return under subsection  
5           (k) of Section 168 of the Internal Revenue Code. This  
6           subparagraph (R) is exempt from the provisions of  
7           Section 250;

8           (S) If the taxpayer sells, transfers, abandons, or  
9           otherwise disposes of property for which the taxpayer  
10          was required in any taxable year to make an addition  
11          modification under subparagraph (G-10), then an amount  
12          equal to that addition modification.

13          If the taxpayer continues to own property through  
14          the last day of the last tax year for which a  
15          subtraction is allowed with respect to that property  
16          under subparagraph (R) and for which the taxpayer was  
17          required in any taxable year to make an addition  
18          modification under subparagraph (G-10), then an amount  
19          equal to that addition modification.

20          The taxpayer is allowed to take the deduction  
21          under this subparagraph only once with respect to any  
22          one piece of property.

23          This subparagraph (S) is exempt from the  
24          provisions of Section 250;

25          (T) The amount of (i) any interest income (net of  
26          the deductions allocable thereto) taken into account

1           for the taxable year with respect to a transaction  
2           with a taxpayer that is required to make an addition  
3           modification with respect to such transaction under  
4           Section           203(a)(2)(D-17),           203(b)(2)(E-12),  
5           203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
6           the amount of such addition modification and (ii) any  
7           income from intangible property (net of the deductions  
8           allocable thereto) taken into account for the taxable  
9           year with respect to a transaction with a taxpayer  
10          that is required to make an addition modification with  
11          respect to such transaction under Section  
12          203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
13          203(d)(2)(D-8), but not to exceed the amount of such  
14          addition modification. This subparagraph (T) is exempt  
15          from the provisions of Section 250;

16           (U) An amount equal to the interest income taken  
17          into account for the taxable year (net of the  
18          deductions allocable thereto) with respect to  
19          transactions with (i) a foreign person who would be a  
20          member of the taxpayer's unitary business group but  
21          for the fact the foreign person's business activity  
22          outside the United States is 80% or more of that  
23          person's total business activity and (ii) for taxable  
24          years ending on or after December 31, 2008, to a person  
25          who would be a member of the same unitary business  
26          group but for the fact that the person is prohibited

1 under Section 1501(a)(27) from being included in the  
2 unitary business group because he or she is ordinarily  
3 required to apportion business income under different  
4 subsections of Section 304, but not to exceed the  
5 addition modification required to be made for the same  
6 taxable year under Section 203(c)(2)(G-12) for  
7 interest paid, accrued, or incurred, directly or  
8 indirectly, to the same person. This subparagraph (U)  
9 is exempt from the provisions of Section 250;

10 (V) An amount equal to the income from intangible  
11 property taken into account for the taxable year (net  
12 of the deductions allocable thereto) with respect to  
13 transactions with (i) a foreign person who would be a  
14 member of the taxpayer's unitary business group but  
15 for the fact that the foreign person's business  
16 activity outside the United States is 80% or more of  
17 that person's total business activity and (ii) for  
18 taxable years ending on or after December 31, 2008, to  
19 a person who would be a member of the same unitary  
20 business group but for the fact that the person is  
21 prohibited under Section 1501(a)(27) from being  
22 included in the unitary business group because he or  
23 she is ordinarily required to apportion business  
24 income under different subsections of Section 304, but  
25 not to exceed the addition modification required to be  
26 made for the same taxable year under Section

1           203(c)(2)(G-13) for intangible expenses and costs  
2           paid, accrued, or incurred, directly or indirectly, to  
3           the same foreign person. This subparagraph (V) is  
4           exempt from the provisions of Section 250;

5           (W) in the case of an estate, an amount equal to  
6           all amounts included in such total pursuant to the  
7           provisions of Section 111 of the Internal Revenue Code  
8           as a recovery of items previously deducted by the  
9           decedent from adjusted gross income in the computation  
10          of taxable income. This subparagraph (W) is exempt  
11          from Section 250;

12          (X) an amount equal to the refund included in such  
13          total of any tax deducted for federal income tax  
14          purposes, to the extent that deduction was added back  
15          under subparagraph (F). This subparagraph (X) is  
16          exempt from the provisions of Section 250;

17          (Y) For taxable years ending on or after December  
18          31, 2011, in the case of a taxpayer who was required to  
19          add back any insurance premiums under Section  
20          203(c)(2)(G-14), such taxpayer may elect to subtract  
21          that part of a reimbursement received from the  
22          insurance company equal to the amount of the expense  
23          or loss (including expenses incurred by the insurance  
24          company) that would have been taken into account as a  
25          deduction for federal income tax purposes if the  
26          expense or loss had been uninsured. If a taxpayer

1 makes the election provided for by this subparagraph  
2 (Y), the insurer to which the premiums were paid must  
3 add back to income the amount subtracted by the  
4 taxpayer pursuant to this subparagraph (Y). This  
5 subparagraph (Y) is exempt from the provisions of  
6 Section 250;

7 (Z) For taxable years beginning after December 31,  
8 2018 and before January 1, 2026, the amount of excess  
9 business loss of the taxpayer disallowed as a  
10 deduction by Section 461(1)(1)(B) of the Internal  
11 Revenue Code; and

12 (AA) For taxable years beginning on or after  
13 January 1, 2023, for any cannabis establishment  
14 operating in this State and licensed under the  
15 Cannabis Regulation and Tax Act or any cannabis  
16 cultivation center or medical cannabis dispensing  
17 organization operating in this State and licensed  
18 under the Compassionate Use of Medical Cannabis  
19 Program Act, an amount equal to the deductions that  
20 were disallowed under Section 280E of the Internal  
21 Revenue Code for the taxable year and that would not be  
22 added back under this subsection. The provisions of  
23 this subparagraph (AA) are exempt from the provisions  
24 of Section 250.

25 (3) Limitation. The amount of any modification  
26 otherwise required under this subsection shall, under

1 regulations prescribed by the Department, be adjusted by  
2 any amounts included therein which were properly paid,  
3 credited, or required to be distributed, or permanently  
4 set aside for charitable purposes pursuant to Internal  
5 Revenue Code Section 642(c) during the taxable year.

6 (d) Partnerships.

7 (1) In general. In the case of a partnership, base  
8 income means an amount equal to the taxpayer's taxable  
9 income for the taxable year as modified by paragraph (2).

10 (2) Modifications. The taxable income referred to in  
11 paragraph (1) shall be modified by adding thereto the sum  
12 of the following amounts:

13 (A) An amount equal to all amounts paid or accrued  
14 to the taxpayer as interest or dividends during the  
15 taxable year to the extent excluded from gross income  
16 in the computation of taxable income;

17 (B) An amount equal to the amount of tax imposed by  
18 this Act to the extent deducted from gross income for  
19 the taxable year;

20 (C) The amount of deductions allowed to the  
21 partnership pursuant to Section 707 (c) of the  
22 Internal Revenue Code in calculating its taxable  
23 income;

24 (D) An amount equal to the amount of the capital  
25 gain deduction allowable under the Internal Revenue

1 Code, to the extent deducted from gross income in the  
2 computation of taxable income;

3 (D-5) For taxable years 2001 and thereafter, an  
4 amount equal to the bonus depreciation deduction taken  
5 on the taxpayer's federal income tax return for the  
6 taxable year under subsection (k) of Section 168 of  
7 the Internal Revenue Code;

8 (D-6) If the taxpayer sells, transfers, abandons,  
9 or otherwise disposes of property for which the  
10 taxpayer was required in any taxable year to make an  
11 addition modification under subparagraph (D-5), then  
12 an amount equal to the aggregate amount of the  
13 deductions taken in all taxable years under  
14 subparagraph (O) with respect to that property.

15 If the taxpayer continues to own property through  
16 the last day of the last tax year for which a  
17 subtraction is allowed with respect to that property  
18 under subparagraph (O) and for which the taxpayer was  
19 allowed in any taxable year to make a subtraction  
20 modification under subparagraph (O), then an amount  
21 equal to that subtraction modification.

22 The taxpayer is required to make the addition  
23 modification under this subparagraph only once with  
24 respect to any one piece of property;

25 (D-7) An amount equal to the amount otherwise  
26 allowed as a deduction in computing base income for

1 interest paid, accrued, or incurred, directly or  
2 indirectly, (i) for taxable years ending on or after  
3 December 31, 2004, to a foreign person who would be a  
4 member of the same unitary business group but for the  
5 fact the foreign person's business activity outside  
6 the United States is 80% or more of the foreign  
7 person's total business activity and (ii) for taxable  
8 years ending on or after December 31, 2008, to a person  
9 who would be a member of the same unitary business  
10 group but for the fact that the person is prohibited  
11 under Section 1501(a)(27) from being included in the  
12 unitary business group because he or she is ordinarily  
13 required to apportion business income under different  
14 subsections of Section 304. The addition modification  
15 required by this subparagraph shall be reduced to the  
16 extent that dividends were included in base income of  
17 the unitary group for the same taxable year and  
18 received by the taxpayer or by a member of the  
19 taxpayer's unitary business group (including amounts  
20 included in gross income pursuant to Sections 951  
21 through 964 of the Internal Revenue Code and amounts  
22 included in gross income under Section 78 of the  
23 Internal Revenue Code) with respect to the stock of  
24 the same person to whom the interest was paid,  
25 accrued, or incurred.

26 This paragraph shall not apply to the following:



1 (i) an item of interest paid, accrued, or  
2 incurred, directly or indirectly, to a person who  
3 is subject in a foreign country or state, other  
4 than a state which requires mandatory unitary  
5 reporting, to a tax on or measured by net income  
6 with respect to such interest; or

7 (ii) an item of interest paid, accrued, or  
8 incurred, directly or indirectly, to a person if  
9 the taxpayer can establish, based on a  
10 preponderance of the evidence, both of the  
11 following:

12 (a) the person, during the same taxable  
13 year, paid, accrued, or incurred, the interest  
14 to a person that is not a related member, and

15 (b) the transaction giving rise to the  
16 interest expense between the taxpayer and the  
17 person did not have as a principal purpose the  
18 avoidance of Illinois income tax, and is paid  
19 pursuant to a contract or agreement that  
20 reflects an arm's-length interest rate and  
21 terms; or

22 (iii) the taxpayer can establish, based on  
23 clear and convincing evidence, that the interest  
24 paid, accrued, or incurred relates to a contract  
25 or agreement entered into at arm's-length rates  
26 and terms and the principal purpose for the

1 payment is not federal or Illinois tax avoidance;  
2 or

3 (iv) an item of interest paid, accrued, or  
4 incurred, directly or indirectly, to a person if  
5 the taxpayer establishes by clear and convincing  
6 evidence that the adjustments are unreasonable; or  
7 if the taxpayer and the Director agree in writing  
8 to the application or use of an alternative method  
9 of apportionment under Section 304(f).

10 Nothing in this subsection shall preclude the  
11 Director from making any other adjustment  
12 otherwise allowed under Section 404 of this Act  
13 for any tax year beginning after the effective  
14 date of this amendment provided such adjustment is  
15 made pursuant to regulation adopted by the  
16 Department and such regulations provide methods  
17 and standards by which the Department will utilize  
18 its authority under Section 404 of this Act; and

19 (D-8) An amount equal to the amount of intangible  
20 expenses and costs otherwise allowed as a deduction in  
21 computing base income, and that were paid, accrued, or  
22 incurred, directly or indirectly, (i) for taxable  
23 years ending on or after December 31, 2004, to a  
24 foreign person who would be a member of the same  
25 unitary business group but for the fact that the  
26 foreign person's business activity outside the United

1 States is 80% or more of that person's total business  
2 activity and (ii) for taxable years ending on or after  
3 December 31, 2008, to a person who would be a member of  
4 the same unitary business group but for the fact that  
5 the person is prohibited under Section 1501(a)(27)  
6 from being included in the unitary business group  
7 because he or she is ordinarily required to apportion  
8 business income under different subsections of Section  
9 304. The addition modification required by this  
10 subparagraph shall be reduced to the extent that  
11 dividends were included in base income of the unitary  
12 group for the same taxable year and received by the  
13 taxpayer or by a member of the taxpayer's unitary  
14 business group (including amounts included in gross  
15 income pursuant to Sections 951 through 964 of the  
16 Internal Revenue Code and amounts included in gross  
17 income under Section 78 of the Internal Revenue Code)  
18 with respect to the stock of the same person to whom  
19 the intangible expenses and costs were directly or  
20 indirectly paid, incurred or accrued. The preceding  
21 sentence shall not apply to the extent that the same  
22 dividends caused a reduction to the addition  
23 modification required under Section 203(d)(2)(D-7) of  
24 this Act. As used in this subparagraph, the term  
25 "intangible expenses and costs" includes (1) expenses,  
26 losses, and costs for, or related to, the direct or

1 indirect acquisition, use, maintenance or management,  
2 ownership, sale, exchange, or any other disposition of  
3 intangible property; (2) losses incurred, directly or  
4 indirectly, from factoring transactions or discounting  
5 transactions; (3) royalty, patent, technical, and  
6 copyright fees; (4) licensing fees; and (5) other  
7 similar expenses and costs. For purposes of this  
8 subparagraph, "intangible property" includes patents,  
9 patent applications, trade names, trademarks, service  
10 marks, copyrights, mask works, trade secrets, and  
11 similar types of intangible assets;

12 This paragraph shall not apply to the following:

13 (i) any item of intangible expenses or costs  
14 paid, accrued, or incurred, directly or  
15 indirectly, from a transaction with a person who  
16 is subject in a foreign country or state, other  
17 than a state which requires mandatory unitary  
18 reporting, to a tax on or measured by net income  
19 with respect to such item; or

20 (ii) any item of intangible expense or cost  
21 paid, accrued, or incurred, directly or  
22 indirectly, if the taxpayer can establish, based  
23 on a preponderance of the evidence, both of the  
24 following:

25 (a) the person during the same taxable  
26 year paid, accrued, or incurred, the

1 intangible expense or cost to a person that is  
2 not a related member, and

3 (b) the transaction giving rise to the  
4 intangible expense or cost between the  
5 taxpayer and the person did not have as a  
6 principal purpose the avoidance of Illinois  
7 income tax, and is paid pursuant to a contract  
8 or agreement that reflects arm's-length terms;  
9 or

10 (iii) any item of intangible expense or cost  
11 paid, accrued, or incurred, directly or  
12 indirectly, from a transaction with a person if  
13 the taxpayer establishes by clear and convincing  
14 evidence, that the adjustments are unreasonable;  
15 or if the taxpayer and the Director agree in  
16 writing to the application or use of an  
17 alternative method of apportionment under Section  
18 304(f);

19 Nothing in this subsection shall preclude the  
20 Director from making any other adjustment  
21 otherwise allowed under Section 404 of this Act  
22 for any tax year beginning after the effective  
23 date of this amendment provided such adjustment is  
24 made pursuant to regulation adopted by the  
25 Department and such regulations provide methods  
26 and standards by which the Department will utilize

1           its authority under Section 404 of this Act;

2           (D-9) For taxable years ending on or after  
3           December 31, 2008, an amount equal to the amount of  
4           insurance premium expenses and costs otherwise allowed  
5           as a deduction in computing base income, and that were  
6           paid, accrued, or incurred, directly or indirectly, to  
7           a person who would be a member of the same unitary  
8           business group but for the fact that the person is  
9           prohibited under Section 1501(a)(27) from being  
10          included in the unitary business group because he or  
11          she is ordinarily required to apportion business  
12          income under different subsections of Section 304. The  
13          addition modification required by this subparagraph  
14          shall be reduced to the extent that dividends were  
15          included in base income of the unitary group for the  
16          same taxable year and received by the taxpayer or by a  
17          member of the taxpayer's unitary business group  
18          (including amounts included in gross income under  
19          Sections 951 through 964 of the Internal Revenue Code  
20          and amounts included in gross income under Section 78  
21          of the Internal Revenue Code) with respect to the  
22          stock of the same person to whom the premiums and costs  
23          were directly or indirectly paid, incurred, or  
24          accrued. The preceding sentence does not apply to the  
25          extent that the same dividends caused a reduction to  
26          the addition modification required under Section

1           203(d) (2) (D-7) or Section 203(d) (2) (D-8) of this Act;

2           (D-10) An amount equal to the credit allowable to  
3           the taxpayer under Section 218(a) of this Act,  
4           determined without regard to Section 218(c) of this  
5           Act;

6           (D-11) For taxable years ending on or after  
7           December 31, 2017, an amount equal to the deduction  
8           allowed under Section 199 of the Internal Revenue Code  
9           for the taxable year;

10           (D-12) the amount that is claimed as a federal  
11           deduction when computing the taxpayer's federal  
12           taxable income for the taxable year and that is  
13           attributable to an endowment gift for which the  
14           taxpayer receives a credit under the Illinois Gives  
15           Tax Credit Act;

16           and by deducting from the total so obtained the following  
17           amounts:

18           (E) The valuation limitation amount;

19           (F) An amount equal to the amount of any tax  
20           imposed by this Act which was refunded to the taxpayer  
21           and included in such total for the taxable year;

22           (G) An amount equal to all amounts included in  
23           taxable income as modified by subparagraphs (A), (B),  
24           (C) and (D) which are exempt from taxation by this  
25           State either by reason of its statutes or Constitution  
26           or by reason of the Constitution, treaties or statutes

1 of the United States; provided that, in the case of any  
2 statute of this State that exempts income derived from  
3 bonds or other obligations from the tax imposed under  
4 this Act, the amount exempted shall be the interest  
5 net of bond premium amortization;

6 (H) Any income of the partnership which  
7 constitutes personal service income as defined in  
8 Section 1348(b)(1) of the Internal Revenue Code (as in  
9 effect December 31, 1981) or a reasonable allowance  
10 for compensation paid or accrued for services rendered  
11 by partners to the partnership, whichever is greater;  
12 this subparagraph (H) is exempt from the provisions of  
13 Section 250;

14 (I) An amount equal to all amounts of income  
15 distributable to an entity subject to the Personal  
16 Property Tax Replacement Income Tax imposed by  
17 subsections (c) and (d) of Section 201 of this Act  
18 including amounts distributable to organizations  
19 exempt from federal income tax by reason of Section  
20 501(a) of the Internal Revenue Code; this subparagraph  
21 (I) is exempt from the provisions of Section 250;

22 (J) With the exception of any amounts subtracted  
23 under subparagraph (G), an amount equal to the sum of  
24 all amounts disallowed as deductions by (i) Sections  
25 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
26 and all amounts of expenses allocable to interest and



1 disallowed as deductions by Section 265(a)(1) of the  
2 Internal Revenue Code; and (ii) for taxable years  
3 ending on or after August 13, 1999, Sections  
4 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
5 Internal Revenue Code, plus, (iii) for taxable years  
6 ending on or after December 31, 2011, Section  
7 45G(e)(3) of the Internal Revenue Code and, for  
8 taxable years ending on or after December 31, 2008,  
9 any amount included in gross income under Section 87  
10 of the Internal Revenue Code; the provisions of this  
11 subparagraph are exempt from the provisions of Section  
12 250;

13 (K) An amount equal to those dividends included in  
14 such total which were paid by a corporation which  
15 conducts business operations in a River Edge  
16 Redevelopment Zone or zones created under the River  
17 Edge Redevelopment Zone Act and conducts substantially  
18 all of its operations from a River Edge Redevelopment  
19 Zone or zones. This subparagraph (K) is exempt from  
20 the provisions of Section 250;

21 (L) An amount equal to any contribution made to a  
22 job training project established pursuant to the Real  
23 Property Tax Increment Allocation Redevelopment Act;

24 (M) An amount equal to those dividends included in  
25 such total that were paid by a corporation that  
26 conducts business operations in a federally designated

1 Foreign Trade Zone or Sub-Zone and that is designated  
2 a High Impact Business located in Illinois; provided  
3 that dividends eligible for the deduction provided in  
4 subparagraph (K) of paragraph (2) of this subsection  
5 shall not be eligible for the deduction provided under  
6 this subparagraph (M);

7 (N) An amount equal to the amount of the deduction  
8 used to compute the federal income tax credit for  
9 restoration of substantial amounts held under claim of  
10 right for the taxable year pursuant to Section 1341 of  
11 the Internal Revenue Code;

12 (O) For taxable years 2001 and thereafter, for the  
13 taxable year in which the bonus depreciation deduction  
14 is taken on the taxpayer's federal income tax return  
15 under subsection (k) of Section 168 of the Internal  
16 Revenue Code and for each applicable taxable year  
17 thereafter, an amount equal to "x", where:

18 (1) "y" equals the amount of the depreciation  
19 deduction taken for the taxable year on the  
20 taxpayer's federal income tax return on property  
21 for which the bonus depreciation deduction was  
22 taken in any year under subsection (k) of Section  
23 168 of the Internal Revenue Code, but not  
24 including the bonus depreciation deduction;

25 (2) for taxable years ending on or before  
26 December 31, 2005, "x" equals "y" multiplied by 30

1 and then divided by 70 (or "y" multiplied by  
2 0.429); and

3 (3) for taxable years ending after December  
4 31, 2005:

5 (i) for property on which a bonus  
6 depreciation deduction of 30% of the adjusted  
7 basis was taken, "x" equals "y" multiplied by  
8 30 and then divided by 70 (or "y" multiplied  
9 by 0.429);

10 (ii) for property on which a bonus  
11 depreciation deduction of 50% of the adjusted  
12 basis was taken, "x" equals "y" multiplied by  
13 1.0;

14 (iii) for property on which a bonus  
15 depreciation deduction of 100% of the adjusted  
16 basis was taken in a taxable year ending on or  
17 after December 31, 2021, "x" equals the  
18 depreciation deduction that would be allowed  
19 on that property if the taxpayer had made the  
20 election under Section 168(k)(7) of the  
21 Internal Revenue Code to not claim bonus  
22 depreciation on that property; and

23 (iv) for property on which a bonus  
24 depreciation deduction of a percentage other  
25 than 30%, 50% or 100% of the adjusted basis  
26 was taken in a taxable year ending on or after

1 December 31, 2021, "x" equals "y" multiplied  
2 by 100 times the percentage bonus depreciation  
3 on the property (that is,  $100(\text{bonus}\%)$ ) and  
4 then divided by 100 times 1 minus the  
5 percentage bonus depreciation on the property  
6 (that is,  $100(1-\text{bonus}\%)$ ).

7 The aggregate amount deducted under this  
8 subparagraph in all taxable years for any one piece of  
9 property may not exceed the amount of the bonus  
10 depreciation deduction taken on that property on the  
11 taxpayer's federal income tax return under subsection  
12 (k) of Section 168 of the Internal Revenue Code. This  
13 subparagraph (O) is exempt from the provisions of  
14 Section 250;

15 (P) If the taxpayer sells, transfers, abandons, or  
16 otherwise disposes of property for which the taxpayer  
17 was required in any taxable year to make an addition  
18 modification under subparagraph (D-5), then an amount  
19 equal to that addition modification.

20 If the taxpayer continues to own property through  
21 the last day of the last tax year for which a  
22 subtraction is allowed with respect to that property  
23 under subparagraph (O) and for which the taxpayer was  
24 required in any taxable year to make an addition  
25 modification under subparagraph (D-5), then an amount  
26 equal to that addition modification.

1           The taxpayer is allowed to take the deduction  
2           under this subparagraph only once with respect to any  
3           one piece of property.

4           This subparagraph (P) is exempt from the  
5           provisions of Section 250;

6           (Q) The amount of (i) any interest income (net of  
7           the deductions allocable thereto) taken into account  
8           for the taxable year with respect to a transaction  
9           with a taxpayer that is required to make an addition  
10          modification with respect to such transaction under  
11          Section        203(a)(2)(D-17),        203(b)(2)(E-12),  
12          203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
13          the amount of such addition modification and (ii) any  
14          income from intangible property (net of the deductions  
15          allocable thereto) taken into account for the taxable  
16          year with respect to a transaction with a taxpayer  
17          that is required to make an addition modification with  
18          respect to such transaction under Section  
19          203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
20          203(d)(2)(D-8), but not to exceed the amount of such  
21          addition modification. This subparagraph (Q) is exempt  
22          from Section 250;

23          (R) An amount equal to the interest income taken  
24          into account for the taxable year (net of the  
25          deductions allocable thereto) with respect to  
26          transactions with (i) a foreign person who would be a

1 member of the taxpayer's unitary business group but  
2 for the fact that the foreign person's business  
3 activity outside the United States is 80% or more of  
4 that person's total business activity and (ii) for  
5 taxable years ending on or after December 31, 2008, to  
6 a person who would be a member of the same unitary  
7 business group but for the fact that the person is  
8 prohibited under Section 1501(a)(27) from being  
9 included in the unitary business group because he or  
10 she is ordinarily required to apportion business  
11 income under different subsections of Section 304, but  
12 not to exceed the addition modification required to be  
13 made for the same taxable year under Section  
14 203(d)(2)(D-7) for interest paid, accrued, or  
15 incurred, directly or indirectly, to the same person.  
16 This subparagraph (R) is exempt from Section 250;

17 (S) An amount equal to the income from intangible  
18 property taken into account for the taxable year (net  
19 of the deductions allocable thereto) with respect to  
20 transactions with (i) a foreign person who would be a  
21 member of the taxpayer's unitary business group but  
22 for the fact that the foreign person's business  
23 activity outside the United States is 80% or more of  
24 that person's total business activity and (ii) for  
25 taxable years ending on or after December 31, 2008, to  
26 a person who would be a member of the same unitary

1 business group but for the fact that the person is  
2 prohibited under Section 1501(a)(27) from being  
3 included in the unitary business group because he or  
4 she is ordinarily required to apportion business  
5 income under different subsections of Section 304, but  
6 not to exceed the addition modification required to be  
7 made for the same taxable year under Section  
8 203(d)(2)(D-8) for intangible expenses and costs paid,  
9 accrued, or incurred, directly or indirectly, to the  
10 same person. This subparagraph (S) is exempt from  
11 Section 250;

12 (T) For taxable years ending on or after December  
13 31, 2011, in the case of a taxpayer who was required to  
14 add back any insurance premiums under Section  
15 203(d)(2)(D-9), such taxpayer may elect to subtract  
16 that part of a reimbursement received from the  
17 insurance company equal to the amount of the expense  
18 or loss (including expenses incurred by the insurance  
19 company) that would have been taken into account as a  
20 deduction for federal income tax purposes if the  
21 expense or loss had been uninsured. If a taxpayer  
22 makes the election provided for by this subparagraph  
23 (T), the insurer to which the premiums were paid must  
24 add back to income the amount subtracted by the  
25 taxpayer pursuant to this subparagraph (T). This  
26 subparagraph (T) is exempt from the provisions of

1 Section 250; and

2 (U) For taxable years beginning on or after  
3 January 1, 2023, for any cannabis establishment  
4 operating in this State and licensed under the  
5 Cannabis Regulation and Tax Act or any cannabis  
6 cultivation center or medical cannabis dispensing  
7 organization operating in this State and licensed  
8 under the Compassionate Use of Medical Cannabis  
9 Program Act, an amount equal to the deductions that  
10 were disallowed under Section 280E of the Internal  
11 Revenue Code for the taxable year and that would not be  
12 added back under this subsection. The provisions of  
13 this subparagraph (U) are exempt from the provisions  
14 of Section 250.

15 (e) Gross income; adjusted gross income; taxable income.

16 (1) In general. Subject to the provisions of paragraph  
17 (2) and subsection (b)(3), for purposes of this Section  
18 and Section 803(e), a taxpayer's gross income, adjusted  
19 gross income, or taxable income for the taxable year shall  
20 mean the amount of gross income, adjusted gross income or  
21 taxable income properly reportable for federal income tax  
22 purposes for the taxable year under the provisions of the  
23 Internal Revenue Code. Taxable income may be less than  
24 zero. However, for taxable years ending on or after  
25 December 31, 1986, net operating loss carryforwards from



1 taxable years ending prior to December 31, 1986, may not  
2 exceed the sum of federal taxable income for the taxable  
3 year before net operating loss deduction, plus the excess  
4 of addition modifications over subtraction modifications  
5 for the taxable year. For taxable years ending prior to  
6 December 31, 1986, taxable income may never be an amount  
7 in excess of the net operating loss for the taxable year as  
8 defined in subsections (c) and (d) of Section 172 of the  
9 Internal Revenue Code, provided that when taxable income  
10 of a corporation (other than a Subchapter S corporation),  
11 trust, or estate is less than zero and addition  
12 modifications, other than those provided by subparagraph  
13 (E) of paragraph (2) of subsection (b) for corporations or  
14 subparagraph (E) of paragraph (2) of subsection (c) for  
15 trusts and estates, exceed subtraction modifications, an  
16 addition modification must be made under those  
17 subparagraphs for any other taxable year to which the  
18 taxable income less than zero (net operating loss) is  
19 applied under Section 172 of the Internal Revenue Code or  
20 under subparagraph (E) of paragraph (2) of this subsection  
21 (e) applied in conjunction with Section 172 of the  
22 Internal Revenue Code.

23 (2) Special rule. For purposes of paragraph (1) of  
24 this subsection, the taxable income properly reportable  
25 for federal income tax purposes shall mean:

26 (A) Certain life insurance companies. In the case

1 of a life insurance company subject to the tax imposed  
2 by Section 801 of the Internal Revenue Code, life  
3 insurance company taxable income, plus the amount of  
4 distribution from pre-1984 policyholder surplus  
5 accounts as calculated under Section 815a of the  
6 Internal Revenue Code;

7 (B) Certain other insurance companies. In the case  
8 of mutual insurance companies subject to the tax  
9 imposed by Section 831 of the Internal Revenue Code,  
10 insurance company taxable income;

11 (C) Regulated investment companies. In the case of  
12 a regulated investment company subject to the tax  
13 imposed by Section 852 of the Internal Revenue Code,  
14 investment company taxable income;

15 (D) Real estate investment trusts. In the case of  
16 a real estate investment trust subject to the tax  
17 imposed by Section 857 of the Internal Revenue Code,  
18 real estate investment trust taxable income;

19 (E) Consolidated corporations. In the case of a  
20 corporation which is a member of an affiliated group  
21 of corporations filing a consolidated income tax  
22 return for the taxable year for federal income tax  
23 purposes, taxable income determined as if such  
24 corporation had filed a separate return for federal  
25 income tax purposes for the taxable year and each  
26 preceding taxable year for which it was a member of an

1 affiliated group. For purposes of this subparagraph,  
2 the taxpayer's separate taxable income shall be  
3 determined as if the election provided by Section  
4 243(b)(2) of the Internal Revenue Code had been in  
5 effect for all such years;

6 (F) Cooperatives. In the case of a cooperative  
7 corporation or association, the taxable income of such  
8 organization determined in accordance with the  
9 provisions of Section 1381 through 1388 of the  
10 Internal Revenue Code, but without regard to the  
11 prohibition against offsetting losses from patronage  
12 activities against income from nonpatronage  
13 activities; except that a cooperative corporation or  
14 association may make an election to follow its federal  
15 income tax treatment of patronage losses and  
16 nonpatronage losses. In the event such election is  
17 made, such losses shall be computed and carried over  
18 in a manner consistent with subsection (a) of Section  
19 207 of this Act and apportioned by the apportionment  
20 factor reported by the cooperative on its Illinois  
21 income tax return filed for the taxable year in which  
22 the losses are incurred. The election shall be  
23 effective for all taxable years with original returns  
24 due on or after the date of the election. In addition,  
25 the cooperative may file an amended return or returns,  
26 as allowed under this Act, to provide that the

1 election shall be effective for losses incurred or  
2 carried forward for taxable years occurring prior to  
3 the date of the election. Once made, the election may  
4 only be revoked upon approval of the Director. The  
5 Department shall adopt rules setting forth  
6 requirements for documenting the elections and any  
7 resulting Illinois net loss and the standards to be  
8 used by the Director in evaluating requests to revoke  
9 elections. Public Act 96-932 is declaratory of  
10 existing law;

11 (G) Subchapter S corporations. In the case of: (i)  
12 a Subchapter S corporation for which there is in  
13 effect an election for the taxable year under Section  
14 1362 of the Internal Revenue Code, the taxable income  
15 of such corporation determined in accordance with  
16 Section 1363(b) of the Internal Revenue Code, except  
17 that taxable income shall take into account those  
18 items which are required by Section 1363(b)(1) of the  
19 Internal Revenue Code to be separately stated; and  
20 (ii) a Subchapter S corporation for which there is in  
21 effect a federal election to opt out of the provisions  
22 of the Subchapter S Revision Act of 1982 and have  
23 applied instead the prior federal Subchapter S rules  
24 as in effect on July 1, 1982, the taxable income of  
25 such corporation determined in accordance with the  
26 federal Subchapter S rules as in effect on July 1,

1           1982; and

2           (H) Partnerships. In the case of a partnership,  
3           taxable income determined in accordance with Section  
4           703 of the Internal Revenue Code, except that taxable  
5           income shall take into account those items which are  
6           required by Section 703(a)(1) to be separately stated  
7           but which would be taken into account by an individual  
8           in calculating his taxable income.

9           (3) Recapture of business expenses on disposition of  
10          asset or business. Notwithstanding any other law to the  
11          contrary, if in prior years income from an asset or  
12          business has been classified as business income and in a  
13          later year is demonstrated to be non-business income, then  
14          all expenses, without limitation, deducted in such later  
15          year and in the 2 immediately preceding taxable years  
16          related to that asset or business that generated the  
17          non-business income shall be added back and recaptured as  
18          business income in the year of the disposition of the  
19          asset or business. Such amount shall be apportioned to  
20          Illinois using the greater of the apportionment fraction  
21          computed for the business under Section 304 of this Act  
22          for the taxable year or the average of the apportionment  
23          fractions computed for the business under Section 304 of  
24          this Act for the taxable year and for the 2 immediately  
25          preceding taxable years.

1 (f) Valuation limitation amount.

2 (1) In general. The valuation limitation amount  
3 referred to in subsections (a)(2)(G), (c)(2)(I) and  
4 (d)(2)(E) is an amount equal to:

5 (A) The sum of the pre-August 1, 1969 appreciation  
6 amounts (to the extent consisting of gain reportable  
7 under the provisions of Section 1245 or 1250 of the  
8 Internal Revenue Code) for all property in respect of  
9 which such gain was reported for the taxable year;  
10 plus

11 (B) The lesser of (i) the sum of the pre-August 1,  
12 1969 appreciation amounts (to the extent consisting of  
13 capital gain) for all property in respect of which  
14 such gain was reported for federal income tax purposes  
15 for the taxable year, or (ii) the net capital gain for  
16 the taxable year, reduced in either case by any amount  
17 of such gain included in the amount determined under  
18 subsection (a)(2)(F) or (c)(2)(H).

19 (2) Pre-August 1, 1969 appreciation amount.

20 (A) If the fair market value of property referred  
21 to in paragraph (1) was readily ascertainable on  
22 August 1, 1969, the pre-August 1, 1969 appreciation  
23 amount for such property is the lesser of (i) the  
24 excess of such fair market value over the taxpayer's  
25 basis (for determining gain) for such property on that  
26 date (determined under the Internal Revenue Code as in

1 effect on that date), or (ii) the total gain realized  
2 and reportable for federal income tax purposes in  
3 respect of the sale, exchange or other disposition of  
4 such property.

5 (B) If the fair market value of property referred  
6 to in paragraph (1) was not readily ascertainable on  
7 August 1, 1969, the pre-August 1, 1969 appreciation  
8 amount for such property is that amount which bears  
9 the same ratio to the total gain reported in respect of  
10 the property for federal income tax purposes for the  
11 taxable year, as the number of full calendar months in  
12 that part of the taxpayer's holding period for the  
13 property ending July 31, 1969 bears to the number of  
14 full calendar months in the taxpayer's entire holding  
15 period for the property.

16 (C) The Department shall prescribe such  
17 regulations as may be necessary to carry out the  
18 purposes of this paragraph.

19 (g) Double deductions. Unless specifically provided  
20 otherwise, nothing in this Section shall permit the same item  
21 to be deducted more than once.

22 (h) Legislative intention. Except as expressly provided by  
23 this Section there shall be no modifications or limitations on  
24 the amounts of income, gain, loss or deduction taken into

1 account in determining gross income, adjusted gross income or  
2 taxable income for federal income tax purposes for the taxable  
3 year, or in the amount of such items entering into the  
4 computation of base income and net income under this Act for  
5 such taxable year, whether in respect of property values as of  
6 August 1, 1969 or otherwise.

7 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;  
8 102-658, eff. 8-27-21; 102-813, eff. 5-13-22; 102-1112, eff.  
9 12-21-22; 103-8, eff. 6-7-23; 103-478, eff. 1-1-24; revised  
10 9-26-23.)

11 (35 ILCS 5/241 new)

12 Sec. 241. The Illinois Gives tax credit.

13 (a) For taxable years ending on or after December 31, 2025  
14 and ending before January 1, 2030, each taxpayer for whom a tax  
15 credit has been authorized by the Department of Revenue under  
16 the Illinois Gives Tax Credit Act is entitled to a credit  
17 against the tax imposed under subsections (a) and (b) of  
18 Section 201 in an amount equal to the amount authorized under  
19 that Act.

20 (b) For partners of partnerships and shareholders of  
21 Subchapter S corporations, there is allowed a credit under  
22 this Section to be determined in accordance with Section 251  
23 of this Act.

24 (c) The credit may not be carried back and may not reduce  
25 the taxpayer's liability to less than zero. If the amount of



1 the credit exceeds the tax liability for the year, the excess  
2 may be carried forward and applied to the tax liability of the  
3 5 taxable years following the excess credit year. The tax  
4 credit shall be applied to the earliest year for which there is  
5 a tax liability. If there are credits for more than one year  
6 that are available to offset a liability, the earlier credit  
7 shall be applied first.

8 ARTICLE 175.

9 Section 175-5. The Property Tax Code is amended by  
10 changing Section 18-185 as follows:

11 (35 ILCS 200/18-185)

12 Sec. 18-185. Short title; definitions. This Division 5  
13 may be cited as the Property Tax Extension Limitation Law. As  
14 used in this Division 5:

15 "Consumer Price Index" means the Consumer Price Index for  
16 All Urban Consumers for all items published by the United  
17 States Department of Labor.

18 "Extension limitation" means (a) the lesser of 5% or the  
19 percentage increase in the Consumer Price Index during the  
20 12-month calendar year preceding the levy year or (b) the rate  
21 of increase approved by voters under Section 18-205.

22 "Affected county" means a county of 3,000,000 or more  
23 inhabitants or a county contiguous to a county of 3,000,000 or

1 more inhabitants.

2 "Taxing district" has the same meaning provided in Section  
3 1-150, except as otherwise provided in this Section. For the  
4 1991 through 1994 levy years only, "taxing district" includes  
5 only each non-home rule taxing district having the majority of  
6 its 1990 equalized assessed value within any county or  
7 counties contiguous to a county with 3,000,000 or more  
8 inhabitants. Beginning with the 1995 levy year, "taxing  
9 district" includes only each non-home rule taxing district  
10 subject to this Law before the 1995 levy year and each non-home  
11 rule taxing district not subject to this Law before the 1995  
12 levy year having the majority of its 1994 equalized assessed  
13 value in an affected county or counties. Beginning with the  
14 levy year in which this Law becomes applicable to a taxing  
15 district as provided in Section 18-213, "taxing district" also  
16 includes those taxing districts made subject to this Law as  
17 provided in Section 18-213.

18 "Aggregate extension" for taxing districts to which this  
19 Law applied before the 1995 levy year means the annual  
20 corporate extension for the taxing district and those special  
21 purpose extensions that are made annually for the taxing  
22 district, excluding special purpose extensions: (a) made for  
23 the taxing district to pay interest or principal on general  
24 obligation bonds that were approved by referendum; (b) made  
25 for any taxing district to pay interest or principal on  
26 general obligation bonds issued before October 1, 1991; (c)

1 made for any taxing district to pay interest or principal on  
2 bonds issued to refund or continue to refund those bonds  
3 issued before October 1, 1991; (d) made for any taxing  
4 district to pay interest or principal on bonds issued to  
5 refund or continue to refund bonds issued after October 1,  
6 1991 that were approved by referendum; (e) made for any taxing  
7 district to pay interest or principal on revenue bonds issued  
8 before October 1, 1991 for payment of which a property tax levy  
9 or the full faith and credit of the unit of local government is  
10 pledged; however, a tax for the payment of interest or  
11 principal on those bonds shall be made only after the  
12 governing body of the unit of local government finds that all  
13 other sources for payment are insufficient to make those  
14 payments; (f) made for payments under a building commission  
15 lease when the lease payments are for the retirement of bonds  
16 issued by the commission before October 1, 1991, to pay for the  
17 building project; (g) made for payments due under installment  
18 contracts entered into before October 1, 1991; (h) made for  
19 payments of principal and interest on bonds issued under the  
20 Metropolitan Water Reclamation District Act to finance  
21 construction projects initiated before October 1, 1991; (i)  
22 made for payments of principal and interest on limited bonds,  
23 as defined in Section 3 of the Local Government Debt Reform  
24 Act, in an amount not to exceed the debt service extension base  
25 less the amount in items (b), (c), (e), and (h) of this  
26 definition for non-referendum obligations, except obligations

1 initially issued pursuant to referendum; (j) made for payments  
2 of principal and interest on bonds issued under Section 15 of  
3 the Local Government Debt Reform Act; (k) made by a school  
4 district that participates in the Special Education District  
5 of Lake County, created by special education joint agreement  
6 under Section 10-22.31 of the School Code, for payment of the  
7 school district's share of the amounts required to be  
8 contributed by the Special Education District of Lake County  
9 to the Illinois Municipal Retirement Fund under Article 7 of  
10 the Illinois Pension Code; the amount of any extension under  
11 this item (k) shall be certified by the school district to the  
12 county clerk; (l) made to fund expenses of providing joint  
13 recreational programs for persons with disabilities under  
14 Section 5-8 of the Park District Code or Section 11-95-14 of  
15 the Illinois Municipal Code; (m) made for temporary relocation  
16 loan repayment purposes pursuant to Sections 2-3.77 and  
17 17-2.2d of the School Code; (n) made for payment of principal  
18 and interest on any bonds issued under the authority of  
19 Section 17-2.2d of the School Code; (o) made for contributions  
20 to a firefighter's pension fund created under Article 4 of the  
21 Illinois Pension Code, to the extent of the amount certified  
22 under item (5) of Section 4-134 of the Illinois Pension Code;  
23 ~~and~~ (p) made for road purposes in the first year after a  
24 township assumes the rights, powers, duties, assets, property,  
25 liabilities, obligations, and responsibilities of a road  
26 district abolished under the provisions of Section 6-133 of

1 the Illinois Highway Code; and (g) made under Section 4 of the  
2 Community Mental Health Act to provide the necessary funds or  
3 to supplement existing funds for community mental health  
4 facilities and services, including facilities and services for  
5 the person with a developmental disability or a substance use  
6 disorder.

7 "Aggregate extension" for the taxing districts to which  
8 this Law did not apply before the 1995 levy year (except taxing  
9 districts subject to this Law in accordance with Section  
10 18-213) means the annual corporate extension for the taxing  
11 district and those special purpose extensions that are made  
12 annually for the taxing district, excluding special purpose  
13 extensions: (a) made for the taxing district to pay interest  
14 or principal on general obligation bonds that were approved by  
15 referendum; (b) made for any taxing district to pay interest  
16 or principal on general obligation bonds issued before March  
17 1, 1995; (c) made for any taxing district to pay interest or  
18 principal on bonds issued to refund or continue to refund  
19 those bonds issued before March 1, 1995; (d) made for any  
20 taxing district to pay interest or principal on bonds issued  
21 to refund or continue to refund bonds issued after March 1,  
22 1995 that were approved by referendum; (e) made for any taxing  
23 district to pay interest or principal on revenue bonds issued  
24 before March 1, 1995 for payment of which a property tax levy  
25 or the full faith and credit of the unit of local government is  
26 pledged; however, a tax for the payment of interest or

1 principal on those bonds shall be made only after the  
2 governing body of the unit of local government finds that all  
3 other sources for payment are insufficient to make those  
4 payments; (f) made for payments under a building commission  
5 lease when the lease payments are for the retirement of bonds  
6 issued by the commission before March 1, 1995 to pay for the  
7 building project; (g) made for payments due under installment  
8 contracts entered into before March 1, 1995; (h) made for  
9 payments of principal and interest on bonds issued under the  
10 Metropolitan Water Reclamation District Act to finance  
11 construction projects initiated before October 1, 1991; (h-4)  
12 made for stormwater management purposes by the Metropolitan  
13 Water Reclamation District of Greater Chicago under Section 12  
14 of the Metropolitan Water Reclamation District Act; (h-8) made  
15 for payments of principal and interest on bonds issued under  
16 Section 9.6a of the Metropolitan Water Reclamation District  
17 Act to make contributions to the pension fund established  
18 under Article 13 of the Illinois Pension Code; (i) made for  
19 payments of principal and interest on limited bonds, as  
20 defined in Section 3 of the Local Government Debt Reform Act,  
21 in an amount not to exceed the debt service extension base less  
22 the amount in items (b), (c), and (e) of this definition for  
23 non-referendum obligations, except obligations initially  
24 issued pursuant to referendum and bonds described in  
25 subsections (h) and (h-8) of this definition; (j) made for  
26 payments of principal and interest on bonds issued under

1 Section 15 of the Local Government Debt Reform Act; (k) made  
2 for payments of principal and interest on bonds authorized by  
3 Public Act 88-503 and issued under Section 20a of the Chicago  
4 Park District Act for aquarium or museum projects and bonds  
5 issued under Section 20a of the Chicago Park District Act for  
6 the purpose of making contributions to the pension fund  
7 established under Article 12 of the Illinois Pension Code; (l)  
8 made for payments of principal and interest on bonds  
9 authorized by Public Act 87-1191 or 93-601 and (i) issued  
10 pursuant to Section 21.2 of the Cook County Forest Preserve  
11 District Act, (ii) issued under Section 42 of the Cook County  
12 Forest Preserve District Act for zoological park projects, or  
13 (iii) issued under Section 44.1 of the Cook County Forest  
14 Preserve District Act for botanical gardens projects; (m) made  
15 pursuant to Section 34-53.5 of the School Code, whether levied  
16 annually or not; (n) made to fund expenses of providing joint  
17 recreational programs for persons with disabilities under  
18 Section 5-8 of the Park District Code or Section 11-95-14 of  
19 the Illinois Municipal Code; (o) made by the Chicago Park  
20 District for recreational programs for persons with  
21 disabilities under subsection (c) of Section 7.06 of the  
22 Chicago Park District Act; (p) made for contributions to a  
23 firefighter's pension fund created under Article 4 of the  
24 Illinois Pension Code, to the extent of the amount certified  
25 under item (5) of Section 4-134 of the Illinois Pension Code;  
26 (q) made by Ford Heights School District 169 under Section

1 17-9.02 of the School Code; ~~and~~ (r) made for the purpose of  
2 making employer contributions to the Public School Teachers'  
3 Pension and Retirement Fund of Chicago under Section 34-53 of  
4 the School Code; and (s) made under Section 4 of the Community  
5 Mental Health Act to provide the necessary funds or to  
6 supplement existing funds for community mental health  
7 facilities and services, including facilities and services for  
8 the person with a developmental disability or a substance use  
9 disorder.

10 "Aggregate extension" for all taxing districts to which  
11 this Law applies in accordance with Section 18-213, except for  
12 those taxing districts subject to paragraph (2) of subsection  
13 (e) of Section 18-213, means the annual corporate extension  
14 for the taxing district and those special purpose extensions  
15 that are made annually for the taxing district, excluding  
16 special purpose extensions: (a) made for the taxing district  
17 to pay interest or principal on general obligation bonds that  
18 were approved by referendum; (b) made for any taxing district  
19 to pay interest or principal on general obligation bonds  
20 issued before the date on which the referendum making this Law  
21 applicable to the taxing district is held; (c) made for any  
22 taxing district to pay interest or principal on bonds issued  
23 to refund or continue to refund those bonds issued before the  
24 date on which the referendum making this Law applicable to the  
25 taxing district is held; (d) made for any taxing district to  
26 pay interest or principal on bonds issued to refund or



1 continue to refund bonds issued after the date on which the  
2 referendum making this Law applicable to the taxing district  
3 is held if the bonds were approved by referendum after the date  
4 on which the referendum making this Law applicable to the  
5 taxing district is held; (e) made for any taxing district to  
6 pay interest or principal on revenue bonds issued before the  
7 date on which the referendum making this Law applicable to the  
8 taxing district is held for payment of which a property tax  
9 levy or the full faith and credit of the unit of local  
10 government is pledged; however, a tax for the payment of  
11 interest or principal on those bonds shall be made only after  
12 the governing body of the unit of local government finds that  
13 all other sources for payment are insufficient to make those  
14 payments; (f) made for payments under a building commission  
15 lease when the lease payments are for the retirement of bonds  
16 issued by the commission before the date on which the  
17 referendum making this Law applicable to the taxing district  
18 is held to pay for the building project; (g) made for payments  
19 due under installment contracts entered into before the date  
20 on which the referendum making this Law applicable to the  
21 taxing district is held; (h) made for payments of principal  
22 and interest on limited bonds, as defined in Section 3 of the  
23 Local Government Debt Reform Act, in an amount not to exceed  
24 the debt service extension base less the amount in items (b),  
25 (c), and (e) of this definition for non-referendum  
26 obligations, except obligations initially issued pursuant to

1 referendum; (i) made for payments of principal and interest on  
2 bonds issued under Section 15 of the Local Government Debt  
3 Reform Act; (j) made for a qualified airport authority to pay  
4 interest or principal on general obligation bonds issued for  
5 the purpose of paying obligations due under, or financing  
6 airport facilities required to be acquired, constructed,  
7 installed or equipped pursuant to, contracts entered into  
8 before March 1, 1996 (but not including any amendments to such  
9 a contract taking effect on or after that date); (k) made to  
10 fund expenses of providing joint recreational programs for  
11 persons with disabilities under Section 5-8 of the Park  
12 District Code or Section 11-95-14 of the Illinois Municipal  
13 Code; (l) made for contributions to a firefighter's pension  
14 fund created under Article 4 of the Illinois Pension Code, to  
15 the extent of the amount certified under item (5) of Section  
16 4-134 of the Illinois Pension Code; ~~and~~ (m) made for the taxing  
17 district to pay interest or principal on general obligation  
18 bonds issued pursuant to Section 19-3.10 of the School Code;  
19 and (n) made under Section 4 of the Community Mental Health Act  
20 to provide the necessary funds or to supplement existing funds  
21 for community mental health facilities and services, including  
22 facilities and services for the person with a developmental  
23 disability or a substance use disorder.

24 "Aggregate extension" for all taxing districts to which  
25 this Law applies in accordance with paragraph (2) of  
26 subsection (e) of Section 18-213 means the annual corporate

1 extension for the taxing district and those special purpose  
2 extensions that are made annually for the taxing district,  
3 excluding special purpose extensions: (a) made for the taxing  
4 district to pay interest or principal on general obligation  
5 bonds that were approved by referendum; (b) made for any  
6 taxing district to pay interest or principal on general  
7 obligation bonds issued before March 7, 1997 (the effective  
8 date of Public Act 89-718); (c) made for any taxing district to  
9 pay interest or principal on bonds issued to refund or  
10 continue to refund those bonds issued before March 7, 1997  
11 (the effective date of Public Act 89-718); (d) made for any  
12 taxing district to pay interest or principal on bonds issued  
13 to refund or continue to refund bonds issued after March 7,  
14 1997 (the effective date of Public Act 89-718) if the bonds  
15 were approved by referendum after March 7, 1997 (the effective  
16 date of Public Act 89-718); (e) made for any taxing district to  
17 pay interest or principal on revenue bonds issued before March  
18 7, 1997 (the effective date of Public Act 89-718) for payment  
19 of which a property tax levy or the full faith and credit of  
20 the unit of local government is pledged; however, a tax for the  
21 payment of interest or principal on those bonds shall be made  
22 only after the governing body of the unit of local government  
23 finds that all other sources for payment are insufficient to  
24 make those payments; (f) made for payments under a building  
25 commission lease when the lease payments are for the  
26 retirement of bonds issued by the commission before March 7,

1 1997 (the effective date of Public Act 89-718) to pay for the  
2 building project; (g) made for payments due under installment  
3 contracts entered into before March 7, 1997 (the effective  
4 date of Public Act 89-718); (h) made for payments of principal  
5 and interest on limited bonds, as defined in Section 3 of the  
6 Local Government Debt Reform Act, in an amount not to exceed  
7 the debt service extension base less the amount in items (b),  
8 (c), and (e) of this definition for non-referendum  
9 obligations, except obligations initially issued pursuant to  
10 referendum; (i) made for payments of principal and interest on  
11 bonds issued under Section 15 of the Local Government Debt  
12 Reform Act; (j) made for a qualified airport authority to pay  
13 interest or principal on general obligation bonds issued for  
14 the purpose of paying obligations due under, or financing  
15 airport facilities required to be acquired, constructed,  
16 installed or equipped pursuant to, contracts entered into  
17 before March 1, 1996 (but not including any amendments to such  
18 a contract taking effect on or after that date); (k) made to  
19 fund expenses of providing joint recreational programs for  
20 persons with disabilities under Section 5-8 of the Park  
21 District Code or Section 11-95-14 of the Illinois Municipal  
22 Code; ~~and~~ (l) made for contributions to a firefighter's  
23 pension fund created under Article 4 of the Illinois Pension  
24 Code, to the extent of the amount certified under item (5) of  
25 Section 4-134 of the Illinois Pension Code; and (m) made under  
26 Section 4 of the Community Mental Health Act to provide the

1 necessary funds or to supplement existing funds for community  
2 mental health facilities and services, including facilities  
3 and services for the person with a developmental disability or  
4 a substance use disorder.

5 "Debt service extension base" means an amount equal to  
6 that portion of the extension for a taxing district for the  
7 1994 levy year, or for those taxing districts subject to this  
8 Law in accordance with Section 18-213, except for those  
9 subject to paragraph (2) of subsection (e) of Section 18-213,  
10 for the levy year in which the referendum making this Law  
11 applicable to the taxing district is held, or for those taxing  
12 districts subject to this Law in accordance with paragraph (2)  
13 of subsection (e) of Section 18-213 for the 1996 levy year,  
14 constituting an extension for payment of principal and  
15 interest on bonds issued by the taxing district without  
16 referendum, but not including excluded non-referendum bonds.  
17 For park districts (i) that were first subject to this Law in  
18 1991 or 1995 and (ii) whose extension for the 1994 levy year  
19 for the payment of principal and interest on bonds issued by  
20 the park district without referendum (but not including  
21 excluded non-referendum bonds) was less than 51% of the amount  
22 for the 1991 levy year constituting an extension for payment  
23 of principal and interest on bonds issued by the park district  
24 without referendum (but not including excluded non-referendum  
25 bonds), "debt service extension base" means an amount equal to  
26 that portion of the extension for the 1991 levy year

1 constituting an extension for payment of principal and  
2 interest on bonds issued by the park district without  
3 referendum (but not including excluded non-referendum bonds).

4 A debt service extension base established or increased at any  
5 time pursuant to any provision of this Law, except Section  
6 18-212, shall be increased each year commencing with the later  
7 of (i) the 2009 levy year or (ii) the first levy year in which  
8 this Law becomes applicable to the taxing district, by the  
9 lesser of 5% or the percentage increase in the Consumer Price  
10 Index during the 12-month calendar year preceding the levy  
11 year. The debt service extension base may be established or  
12 increased as provided under Section 18-212. "Excluded  
13 non-referendum bonds" means (i) bonds authorized by Public Act  
14 88-503 and issued under Section 20a of the Chicago Park  
15 District Act for aquarium and museum projects; (ii) bonds  
16 issued under Section 15 of the Local Government Debt Reform  
17 Act; or (iii) refunding obligations issued to refund or to  
18 continue to refund obligations initially issued pursuant to  
19 referendum.

20 "Special purpose extensions" include, but are not limited  
21 to, extensions for levies made on an annual basis for  
22 unemployment and workers' compensation, self-insurance,  
23 contributions to pension plans, and extensions made pursuant  
24 to Section 6-601 of the Illinois Highway Code for a road  
25 district's permanent road fund whether levied annually or not.  
26 The extension for a special service area is not included in the

1 aggregate extension.

2 "Aggregate extension base" means the taxing district's  
3 last preceding aggregate extension as adjusted under Sections  
4 18-135, 18-215, 18-230, 18-206, and 18-233. Beginning with  
5 levy year 2022, for taxing districts that are specified in  
6 Section 18-190.7, the taxing district's aggregate extension  
7 base shall be calculated as provided in Section 18-190.7. An  
8 adjustment under Section 18-135 shall be made for the 2007  
9 levy year and all subsequent levy years whenever one or more  
10 counties within which a taxing district is located (i) used  
11 estimated valuations or rates when extending taxes in the  
12 taxing district for the last preceding levy year that resulted  
13 in the over or under extension of taxes, or (ii) increased or  
14 decreased the tax extension for the last preceding levy year  
15 as required by Section 18-135(c). Whenever an adjustment is  
16 required under Section 18-135, the aggregate extension base of  
17 the taxing district shall be equal to the amount that the  
18 aggregate extension of the taxing district would have been for  
19 the last preceding levy year if either or both (i) actual,  
20 rather than estimated, valuations or rates had been used to  
21 calculate the extension of taxes for the last levy year, or  
22 (ii) the tax extension for the last preceding levy year had not  
23 been adjusted as required by subsection (c) of Section 18-135.

24 Notwithstanding any other provision of law, for levy year  
25 2012, the aggregate extension base for West Northfield School  
26 District No. 31 in Cook County shall be \$12,654,592.

1           Notwithstanding any other provision of law, for levy year  
2 2022, the aggregate extension base of a home equity assurance  
3 program that levied at least \$1,000,000 in property taxes in  
4 levy year 2019 or 2020 under the Home Equity Assurance Act  
5 shall be the amount that the program's aggregate extension  
6 base for levy year 2021 would have been if the program had  
7 levied a property tax for levy year 2021.

8           "Levy year" has the same meaning as "year" under Section  
9 1-155.

10           "New property" means (i) the assessed value, after final  
11 board of review or board of appeals action, of new  
12 improvements or additions to existing improvements on any  
13 parcel of real property that increase the assessed value of  
14 that real property during the levy year multiplied by the  
15 equalization factor issued by the Department under Section  
16 17-30, (ii) the assessed value, after final board of review or  
17 board of appeals action, of real property not exempt from real  
18 estate taxation, which real property was exempt from real  
19 estate taxation for any portion of the immediately preceding  
20 levy year, multiplied by the equalization factor issued by the  
21 Department under Section 17-30, including the assessed value,  
22 upon final stabilization of occupancy after new construction  
23 is complete, of any real property located within the  
24 boundaries of an otherwise or previously exempt military  
25 reservation that is intended for residential use and owned by  
26 or leased to a private corporation or other entity, (iii) in



1 counties that classify in accordance with Section 4 of Article  
2 IX of the Illinois Constitution, an incentive property's  
3 additional assessed value resulting from a scheduled increase  
4 in the level of assessment as applied to the first year final  
5 board of review market value, and (iv) any increase in  
6 assessed value due to oil or gas production from an oil or gas  
7 well required to be permitted under the Hydraulic Fracturing  
8 Regulatory Act that was not produced in or accounted for  
9 during the previous levy year. In addition, the county clerk  
10 in a county containing a population of 3,000,000 or more shall  
11 include in the 1997 recovered tax increment value for any  
12 school district, any recovered tax increment value that was  
13 applicable to the 1995 tax year calculations.

14 "Qualified airport authority" means an airport authority  
15 organized under the Airport Authorities Act and located in a  
16 county bordering on the State of Wisconsin and having a  
17 population in excess of 200,000 and not greater than 500,000.

18 "Recovered tax increment value" means, except as otherwise  
19 provided in this paragraph, the amount of the current year's  
20 equalized assessed value, in the first year after a  
21 municipality terminates the designation of an area as a  
22 redevelopment project area previously established under the  
23 Tax Increment Allocation Redevelopment Act in the Illinois  
24 Municipal Code, previously established under the Industrial  
25 Jobs Recovery Law in the Illinois Municipal Code, previously  
26 established under the Economic Development Project Area Tax

1 Increment Act of 1995, or previously established under the  
2 Economic Development Area Tax Increment Allocation Act, of  
3 each taxable lot, block, tract, or parcel of real property in  
4 the redevelopment project area over and above the initial  
5 equalized assessed value of each property in the redevelopment  
6 project area. For the taxes which are extended for the 1997  
7 levy year, the recovered tax increment value for a non-home  
8 rule taxing district that first became subject to this Law for  
9 the 1995 levy year because a majority of its 1994 equalized  
10 assessed value was in an affected county or counties shall be  
11 increased if a municipality terminated the designation of an  
12 area in 1993 as a redevelopment project area previously  
13 established under the Tax Increment Allocation Redevelopment  
14 Act in the Illinois Municipal Code, previously established  
15 under the Industrial Jobs Recovery Law in the Illinois  
16 Municipal Code, or previously established under the Economic  
17 Development Area Tax Increment Allocation Act, by an amount  
18 equal to the 1994 equalized assessed value of each taxable  
19 lot, block, tract, or parcel of real property in the  
20 redevelopment project area over and above the initial  
21 equalized assessed value of each property in the redevelopment  
22 project area. In the first year after a municipality removes a  
23 taxable lot, block, tract, or parcel of real property from a  
24 redevelopment project area established under the Tax Increment  
25 Allocation Redevelopment Act in the Illinois Municipal Code,  
26 the Industrial Jobs Recovery Law in the Illinois Municipal

1 Code, or the Economic Development Area Tax Increment  
2 Allocation Act, "recovered tax increment value" means the  
3 amount of the current year's equalized assessed value of each  
4 taxable lot, block, tract, or parcel of real property removed  
5 from the redevelopment project area over and above the initial  
6 equalized assessed value of that real property before removal  
7 from the redevelopment project area.

8 Except as otherwise provided in this Section, "limiting  
9 rate" means a fraction the numerator of which is the last  
10 preceding aggregate extension base times an amount equal to  
11 one plus the extension limitation defined in this Section and  
12 the denominator of which is the current year's equalized  
13 assessed value of all real property in the territory under the  
14 jurisdiction of the taxing district during the prior levy  
15 year. For those taxing districts that reduced their aggregate  
16 extension for the last preceding levy year, except for school  
17 districts that reduced their extension for educational  
18 purposes pursuant to Section 18-206, the highest aggregate  
19 extension in any of the last 3 preceding levy years shall be  
20 used for the purpose of computing the limiting rate. The  
21 denominator shall not include new property or the recovered  
22 tax increment value. If a new rate, a rate decrease, or a  
23 limiting rate increase has been approved at an election held  
24 after March 21, 2006, then (i) the otherwise applicable  
25 limiting rate shall be increased by the amount of the new rate  
26 or shall be reduced by the amount of the rate decrease, as the

1 case may be, or (ii) in the case of a limiting rate increase,  
2 the limiting rate shall be equal to the rate set forth in the  
3 proposition approved by the voters for each of the years  
4 specified in the proposition, after which the limiting rate of  
5 the taxing district shall be calculated as otherwise provided.  
6 In the case of a taxing district that obtained referendum  
7 approval for an increased limiting rate on March 20, 2012, the  
8 limiting rate for tax year 2012 shall be the rate that  
9 generates the approximate total amount of taxes extendable for  
10 that tax year, as set forth in the proposition approved by the  
11 voters; this rate shall be the final rate applied by the county  
12 clerk for the aggregate of all capped funds of the district for  
13 tax year 2012.

14 (Source: P.A. 102-263, eff. 8-6-21; 102-311, eff. 8-6-21;  
15 102-519, eff. 8-20-21; 102-558, eff. 8-20-21; 102-707, eff.  
16 4-22-22; 102-813, eff. 5-13-22; 102-895, eff. 5-23-22;  
17 103-154, eff. 6-30-23.)

18 Section 175-10. The Community Mental Health Act is amended  
19 by changing Sections 3a, 3b, 3e, 3f, 4, 5, 6, and 7 as follows:

20 (405 ILCS 20/3a) (from Ch. 91 1/2, par. 303a)

21 Sec. 3a. Every governmental unit authorized to levy an  
22 annual tax under any of the provisions of this Act shall,  
23 before it may levy such tax, establish a 7 member community  
24 mental health board who shall administer this Act. Such board

1 shall be appointed by the chairman of the governing body of a  
2 county, the mayor of a city, the president of a village, the  
3 president of an incorporated town, or the supervisor of a  
4 township, as the case may be, with the advice and consent of  
5 the governing body of such county, city, village, incorporated  
6 town or the town board of trustees of any township, except in  
7 any county with a county executive form of government, if  
8 applicable, the county executive shall appoint the board with  
9 the advice and consent of the county board. Members of the  
10 community mental health board shall be residents of the  
11 government unit and, as nearly as possible, be representative  
12 of interested groups of the community such as local health  
13 departments, ~~medical societies,~~ local comprehensive health  
14 planning agencies, hospital boards, lay associations concerned  
15 with mental health, developmental disabilities and substance  
16 abuse, and individuals with professional or lived expertise in  
17 mental health, developmental disabilities, and substance abuse  
18 as well as the general public. General public representation  
19 may also be considered for appointment when there are gaps in  
20 board duties and qualifications that cannot be filled from the  
21 above stated categories. Only one member shall be a member of  
22 the governing body, with the term of membership on the board to  
23 run concurrently with the elected term of the member. The  
24 chairman of the governing body may, upon the request of the  
25 community mental health board, appoint 2 additional members to  
26 the community mental health board. No member of the community

1 mental health board may be a full-time or part-time employee  
2 of the Department of Human Services or a board member,  
3 employee or any other individual receiving compensation from  
4 any facility or service operating under contract to the board.  
5 If a successful referendum is held under Section 5 of this Act,  
6 all members of such board shall be appointed within 60 days  
7 after the local election authority certifies the passage of  
8 the referendum. If a community mental health board has been  
9 established by a county with a population of less than 500,000  
10 and the community mental health board is funded in whole or in  
11 part by a special mental health sales tax described in  
12 paragraph (4) of subsection (a) of Section 5-1006.5 of the  
13 Counties Code, the largest municipality in the county with at  
14 least 125,000 residents may appoint 2 additional members to  
15 the board. The members shall be appointed by the mayor of the  
16 municipality with the advice and consent of the municipality's  
17 governing body.

18 Home rule units are exempt from this Act. However, they  
19 may, by ordinance, adopt the provisions of this Act, or any  
20 portion thereof, that they may deem advisable.

21 The tax rate set forth in Section 4 may be levied by any  
22 non-home rule unit only pursuant to the approval by the voters  
23 at a referendum. Such referendum may have been held at any time  
24 subsequent to the effective date of the Community Mental  
25 Health Act.

26 (Source: P.A. 103-274, eff. 1-1-24; 103-565, eff. 11-17-23.)

1 (405 ILCS 20/3b) (from Ch. 91 1/2, par. 303b)

2 Sec. 3b. The term of office of each member of the community  
3 mental health board shall be for 4 years, provided, however,  
4 that of the members first appointed, 2 shall be appointed for a  
5 term of 2 years, 2 for a term of 3 years and 3 for a term of 4  
6 years. All terms shall be measured from the first day of the  
7 month of appointment. Vacancies shall be filled ~~for the~~  
8 ~~unexpired term~~ in the same manner as original appointments. A  
9 community mental health board may provide advice to the  
10 governing body and may establish a policy and procedure for  
11 the acceptance and review of applications from interested  
12 residents prior to making a recommendation to the appointing  
13 authority.

14 (Source: P.A. 103-274, eff. 1-1-24.)

15 (405 ILCS 20/3e) (from Ch. 91 1/2, par. 303e)

16 Sec. 3e. Board's powers and duties.

17 (1) Every community mental health board shall, within 30  
18 days after members are first appointed and within 30 days  
19 after members are appointed or reappointed upon the expiration  
20 of a member's term, meet and organize, by the election of one  
21 of its number as president and one as secretary and such other  
22 officers as it may deem necessary. It shall make rules and  
23 regulations concerning the rendition or operation of services  
24 and facilities which it directs, supervises or funds, not

1 inconsistent with the provisions of this Act. It shall:

2 (a) Hold a meeting prior to July 1 of each year at  
3 which officers shall be elected for the ensuing year  
4 beginning July 1. If the community mental health board has  
5 already held or scheduled an election to take place prior  
6 to July 1, an additional election is not required on the  
7 basis of the appointment or reappointment of a member to  
8 the community mental health board;

9 (b) Hold meetings at least quarterly;

10 (c) Hold special meetings upon a written request  
11 signed by at least 2 members and filed with the secretary;

12 (d) Review and evaluate community mental health  
13 services and facilities, including services and facilities  
14 for the treatment of alcoholism, drug addiction,  
15 developmental disabilities, and intellectual  
16 disabilities;

17 (e) Authorize the disbursement of money from the  
18 community mental health fund for payment for the ordinary  
19 and contingent expenses of the board;

20 (f) Submit to the appointing officer and the members  
21 of the governing body a written plan for a program of  
22 community mental health services and facilities for  
23 persons with a mental illness, a developmental disability,  
24 or a substance use disorder. Such plan shall be for the  
25 ensuing 12 month period. In addition, a plan shall be  
26 developed for the ensuing 3 year period and such plan



1 shall be reviewed at the end of every 12 month period and  
2 shall be modified as deemed advisable;~~;~~

3 (g) Within amounts appropriated therefor, execute such  
4 programs and maintain such services and facilities as may  
5 be authorized under such appropriations, including amounts  
6 appropriated under bond issues, if any;

7 (h) Publish the annual budget and report within 180  
8 ~~120~~ days after the end of the fiscal year in a newspaper  
9 distributed within the jurisdiction of the board, or, if  
10 no newspaper is published within the jurisdiction of the  
11 board, then one published in the county, or, if no  
12 newspaper is published in the county, then in a newspaper  
13 having general circulation within the jurisdiction of the  
14 board. The report shall show the condition of its trust of  
15 that year, the sums of money received from all sources,  
16 giving the name of any donor, how all monies have been  
17 expended and for what purpose, and such other statistics  
18 and program information in regard to the work of the board  
19 as it may deem of general interest. A copy of the budget  
20 and the annual report shall be made available to the  
21 Department of Human Services and to members of the General  
22 Assembly whose districts include any part of the  
23 jurisdiction of such board. The names of all employees,  
24 consultants, and other personnel shall be set forth along  
25 with the amounts of money received;

26 (i) Consult with other appropriate private and public

1 agencies in the development of local plans for the most  
2 efficient delivery of mental health, developmental  
3 disabilities, and substance use disorder services. The  
4 Board is authorized to join and to participate in the  
5 activities of associations organized for the purpose of  
6 promoting more efficient and effective services and  
7 programs;

8 (j) Have the authority to review and comment on all  
9 applications for grants by any person, corporation, or  
10 governmental unit providing services within the  
11 geographical area of the board which provides mental  
12 health facilities and services, including services for the  
13 person with a mental illness, a developmental disability,  
14 or a substance use disorder. The board may require funding  
15 applicants to send a copy of their funding application to  
16 the board at the time such application is submitted to the  
17 Department of Human Services or to any other local, State  
18 or federal funding source or governmental agency. Within  
19 60 days of the receipt of any application, the board shall  
20 submit its review and comments to the Department of Human  
21 Services or to any other appropriate local, State or  
22 federal funding source or governmental agency. A copy of  
23 the review and comments shall be submitted to the funding  
24 applicant. Within 60 days thereafter, the Department of  
25 Human Services or any other appropriate local or State  
26 governmental agency shall issue a written response to the

1 board and the funding applicant. The Department of Human  
2 Services or any other appropriate local or State  
3 governmental agency shall supply any community mental  
4 health board such information about purchase-of-care  
5 funds, State facility utilization, and costs in its  
6 geographical area as the board may request provided that  
7 the information requested is for the purpose of the  
8 Community Mental Health Board complying with the  
9 requirements of Section 3f, subsection (f) of this Act;

10 (k) Perform such other acts as may be necessary or  
11 proper to carry out the purposes of this Act.

12 (2) The community mental health board has the following  
13 powers:

14 (a) The board may enter into multiple-year contracts  
15 for rendition or operation of services, facilities and  
16 educational programs.

17 (b) The board may arrange through intergovernmental  
18 agreements or intragovernmental agreements or both for the  
19 rendition of services and operation of facilities by other  
20 agencies or departments of the governmental unit or county  
21 in which the governmental unit is located with the  
22 approval of the governing body.

23 (c) To employ, establish compensation for, and set  
24 policies for its personnel, including legal counsel, as  
25 may be necessary to carry out the purposes of this Act and  
26 prescribe the duties thereof. The board may enter into

1 multiple-year employment contracts as may be necessary for  
2 the recruitment and retention of personnel and the proper  
3 functioning of the board.

4 (d) The board may enter into multiple-year joint  
5 agreements, which shall be written, with other mental  
6 health boards and boards of health to provide jointly  
7 agreed upon community mental health facilities and  
8 services and to pool such funds as may be deemed necessary  
9 and available for this purpose.

10 (e) The board may organize a not-for-profit  
11 corporation for the purpose of providing direct recipient  
12 services. Such corporations shall have, in addition to all  
13 other lawful powers, the power to contract with persons to  
14 furnish services for recipients of the corporation's  
15 facilities, including psychiatrists and other physicians  
16 licensed in this State to practice medicine in all of its  
17 branches. Such physicians shall be considered independent  
18 contractors, and liability for any malpractice shall not  
19 extend to such corporation, nor to the community mental  
20 health board, except for gross negligence in entering into  
21 such a contract.

22 (f) The board shall not operate any direct recipient  
23 services for more than a 2-year period when such services  
24 are being provided in the governmental unit, but shall  
25 encourage, by financial support, the development of  
26 private agencies to deliver such needed services, pursuant

1 to regulations of the board.

2 (g) Where there are multiple boards within the same  
3 planning area, as established by the Department of Human  
4 Services, services may be purchased through a single  
5 delivery system. In such areas, a coordinating body with  
6 representation from each board shall be established to  
7 carry out the service functions of this Act. In the event  
8 any such coordinating body purchases or improves real  
9 property, such body shall first obtain the approval of the  
10 governing bodies of the governmental units in which the  
11 coordinating body is located.

12 (h) The board may enter into multiple-year joint  
13 agreements with other governmental units located within  
14 the geographical area of the board. Such agreements shall  
15 be written and shall provide for the rendition of services  
16 by the board to the residents of such governmental units.

17 (i) The board may enter into multiple-year joint  
18 agreements with federal, State, and local governments,  
19 including the Department of Human Services or any other  
20 appropriate local or State governmental agency, whereby  
21 the board will provide certain services. All such joint  
22 agreements must provide for the exchange of relevant data.  
23 However, nothing in this Act shall be construed to permit  
24 the abridgement of the confidentiality of patient records.

25 (j) The board may receive gifts from private sources  
26 for purposes not inconsistent with the provisions of this

1 Act.

2 (k) The board may receive federal ~~Federal~~, State, and  
3 local funds for purposes not inconsistent with the  
4 provisions of this Act.

5 (l) The board may establish scholarship programs. Such  
6 programs shall require equivalent service or reimbursement  
7 pursuant to regulations of the board.

8 (m) The board may sell, rent, or lease real property  
9 for purposes consistent with this Act.

10 (n) The board may: (i) own real property, lease real  
11 property as lessee, or acquire real property by purchase,  
12 construction, lease-purchase agreement, or otherwise; (ii)  
13 take title to the property in the board's name; (iii)  
14 borrow money and issue debt instruments, mortgages,  
15 purchase-money mortgages, and other security instruments  
16 with respect to the property; and (iv) maintain, repair,  
17 remodel, or improve the property. All of these activities  
18 must be for purposes consistent with this Act as may be  
19 reasonably necessary for the housing and proper  
20 functioning of the board. The board may use moneys in the  
21 Community Mental Health Fund for these purposes.

22 (o) The board may organize a not-for-profit  
23 corporation (i) for the purpose of raising money to be  
24 distributed by the board for providing community mental  
25 health services and facilities for the treatment of  
26 alcoholism, drug addiction, developmental disabilities,

1 and intellectual disabilities or (ii) for other purposes  
2 not inconsistent with this Act.

3 (p) The board may fix a fiscal year for the board.

4 (q) The board has the responsibility to set, maintain,  
5 and implement the budget.

6 (r) The board may establish professional incentive  
7 programs for the purposes of workforce development and  
8 retention that may include education assistance, student  
9 loan repayment, professional certification and licensure  
10 assistance, and internship stipends.

11 Every board shall be subject to the requirements under the  
12 Freedom of Information Act and the Open Meetings Act.

13 (Source: P.A. 103-274, eff. 1-1-24; revised 1-20-24.)

14 (405 ILCS 20/3f) (from Ch. 91 1/2, par. 303f)

15 Sec. 3f. Annually, each community mental health board  
16 shall prepare and submit, for informational purposes in the  
17 appropriations process, to the appointing officer and  
18 governing body referred to in Section 3a: (a) an annual budget  
19 showing the estimated receipts and intended disbursements  
20 pursuant to this Act for the fiscal year immediately following  
21 the date the budget is submitted, which date must be at least  
22 30 days prior to the start of the fiscal year, and (b) an  
23 annual report detailing the income received and disbursements  
24 made pursuant to this Act during the fiscal year just  
25 preceding the date the annual report is submitted, which date

1 must be within 180 ~~90~~ days of the end ~~close~~ of that fiscal  
2 year. Such report shall also include those matters set forth  
3 in Section 8 of this Act.

4 (Source: P.A. 95-336, eff. 8-21-07.)

5 (405 ILCS 20/4) (from Ch. 91 1/2, par. 304)

6 Sec. 4. In order to provide the necessary funds or to  
7 supplement existing funds for such community mental health  
8 facilities and services, including facilities and services for  
9 the person with a developmental disability or a substance use  
10 disorder, the governing body of any governmental unit, subject  
11 to the provisions of Section 5, may levy an annual tax of not  
12 to exceed .15% upon all of the taxable property in such  
13 governmental unit at the value thereof, as equalized or  
14 assessed by the Department of Revenue. Such tax shall be  
15 levied and collected in the same manner as other governmental  
16 unit taxes, but shall not be included in any limitation  
17 otherwise prescribed as to the rate or amount of governmental  
18 unit taxes, but shall be in addition thereto and in excess  
19 thereof.

20 An annual tax levied by any governmental unit under this  
21 Section is separate and distinct from all other property taxes  
22 levied by that governmental unit and (1) shall not be  
23 considered an increase for purposes of the application of the  
24 Truth in Taxation Law and its requirements and (2) shall not be  
25 subject to the Property Tax Extension Limitation Law.



1           When collected, such tax shall be paid into a special fund  
2 to be designated as the "Community Mental Health Fund" which  
3 shall, upon authorization by the appropriate governmental  
4 unit, be administered by the community mental health board and  
5 used only for the purposes specified in this Act. Nothing  
6 contained herein shall in any way preclude the use of other  
7 funds available for such purposes under any existing Federal,  
8 State or local statute. Interest earned from moneys deposited  
9 in this Fund shall only be used for purposes which are  
10 authorized by this Act.

11           In any city, village, incorporated town, or township which  
12 levies a tax for the purpose of providing community mental  
13 health facilities and services and part or all of such city,  
14 village, incorporated town, or township is in a county or  
15 township, as the case may be, which levies a tax to provide  
16 community mental health facilities and services under the  
17 provisions of this Act, such county or township, as the case  
18 may be, shall pay to such city, village, incorporated town, or  
19 township, as the case may be, the entire amount collected from  
20 taxes under this Section on property subject to a tax which any  
21 city, village, incorporated town, or township thereof levies  
22 to provide community mental health facilities and services.

23           Whenever any city, village, incorporated town, or township  
24 receives any payments from a county or township as provided  
25 above, such city, village, incorporated town, or township  
26 shall reduce and abate from the tax levied by the authority of

1 this Section a rate which would produce an amount equal to the  
2 amount received from such county or township.

3 (Source: P.A. 95-336, eff. 8-21-07.)

4 (405 ILCS 20/5) (from Ch. 91 1/2, par. 305)

5 Sec. 5. (a) When the governing body of a governmental unit  
6 passes a resolution as provided in Section 4 asking that an  
7 annual tax may be levied for the purpose of providing such  
8 mental health facilities and services, including facilities  
9 and services for the person with a developmental disability or  
10 a substance use disorder, in the community and so instructs  
11 the clerk of the governmental unit such clerk shall certify  
12 the proposition to the proper election officials for  
13 submission at a regular election in accordance with the  
14 general election law. The proposition shall be in  
15 substantially the following form:

16 -----

17 Shall..... (governmental

18 unit) levy an annual tax

19 not to exceed ~~of~~ (no ~~not~~ YES

20 more than .15%) for the purpose

21 of providing community mental

22 health facilities and -----

23 services including facilities

24 and services for persons with

25 a developmental disability or a NO

1 substance use disorder?

2 -----  
3 (a-5) In addition, the ballot for any proposition  
4 submitted pursuant to this Section shall have printed thereon,  
5 but not as part of the proposition submitted, only the  
6 following supplemental information (which shall be supplied to  
7 the election authority by the taxing district) in  
8 substantially the following form:

9 (1) The approximate amount of taxes extendable at the  
10 most recently extended limiting rate is \$...., and the  
11 approximate amount of taxes extendable if the proposition  
12 is approved is \$....

13 (2) For the .... (insert the first levy year for which  
14 the new rate or increase limiting rate will be applicable)  
15 levy year the approximate amount of the additional tax  
16 extendable against property containing a single family  
17 residence and having a fair market value at the time of the  
18 referendum of \$100,000 is estimated to be \$....

19 If a proposition contains the language in substantially  
20 the form provided above the referendum is valid  
21 notwithstanding any other provision of the law. ~~If the~~  
22 governmental unit is also subject to the Property Tax  
23 Extension Limitation Law, then the proposition shall also  
24 comply with the Property Tax Extension Limitation Law.  
25 Notwithstanding any provision of this subsection, any  
26 referendum imposing an annual tax on or after January 1, 1994

1 and prior to the effective date of this amendatory Act of the  
2 103rd General Assembly that complies with subsection (a) is  
3 hereby validated.

4 (b) If a majority of all the votes cast upon the  
5 proposition are for the levy of such tax, the governing body of  
6 such governmental unit shall thereafter annually levy a tax  
7 not to exceed the rate set forth in Section 4. Thereafter, the  
8 governing body shall in the annual appropriation bill  
9 appropriate from such funds such sum or sums of money as may be  
10 deemed necessary by the community mental health board, based  
11 upon the community mental health board's budget, the board's  
12 annual mental health report, and the local mental health plan  
13 to defray necessary expenses and liabilities in providing for  
14 such community mental health facilities and services.

15 (c) If the governing body of a governmental unit levies a  
16 tax under Section 4 of this Act and the rate specified in the  
17 proposition under subsection (a) of this Section is less than  
18 0.15%, then the governing body of the governmental unit may,  
19 upon referendum approval, increase that rate to not more than  
20 0.15%. The governing body shall instruct the clerk of the  
21 governmental unit to certify the proposition to the proper  
22 election officials for submission at a regular election in  
23 accordance with the general election law. The proposition  
24 shall be in the following form:

25 "Shall the tax imposed by (governmental unit) for the  
26 purpose of providing community mental health facilities

1 and services, including facilities and services for  
2 persons with a developmental disability or substance use  
3 disorder be increased to (not more than 0.15%)?"

4 If a majority of all the votes cast upon the proposition  
5 are for the increase of the tax, then the governing body of the  
6 governmental unit may thereafter annually levy a tax not to  
7 exceed the rate set forth in the referendum question. Nothing  
8 in this Section prevents a governmental unit from levying less  
9 than the amount approved by the voters via referendum in any  
10 given year or varying the amount levied from year to year as  
11 approved by the governmental unit.

12 (Source: P.A. 102-839, eff. 5-13-22; 102-935, eff. 7-1-22;  
13 103-154, eff. 6-30-23; 103-274, eff. 1-1-24; 103-565, eff.  
14 11-17-23.)

15 (405 ILCS 20/6) (from Ch. 91 1/2, par. 306)

16 Sec. 6. Whenever the governing body of any governmental  
17 unit has not provided the community mental health facilities  
18 and services provided in Section 2 and levied the tax provided  
19 in Section 4 and a petition signed by electors of the  
20 governmental unit equal in number to at least 10% of the total  
21 votes cast for the office which received the greatest total  
22 number of votes at the last preceding general governmental  
23 unit election is presented to the clerk of the governmental  
24 unit requesting the establishment and maintenance of such  
25 community mental health facilities and services, including

1 facilities and services for the person with a developmental  
2 disability or a substance use disorder, for residents thereof  
3 and the levy of such an annual tax therefor, the governing body  
4 of the governmental unit, subject to the provisions of Section  
5 7, shall establish and maintain such community mental health  
6 facilities and services and shall levy such an annual tax of  
7 not to exceed .15% upon all of the taxable property in such  
8 governmental unit at the value thereof, as equalized or  
9 assessed by the Department of Revenue. Such tax shall be  
10 levied and collected in the same manner as other governmental  
11 unit taxes, but shall not be included in any limitation  
12 otherwise prescribed as to the rate or amount of governmental  
13 unit taxes, but shall be in addition thereto and in excess  
14 thereof.

15 An annual tax levied by any governmental unit under this  
16 Section is separate and distinct from all other property taxes  
17 levied by that governmental unit and (1) shall not be  
18 considered an increase for purposes of the application of the  
19 Truth in Taxation Law and its requirements and (2) shall not be  
20 subject to the Property Tax Extension Limitation Law.

21 When collected, such tax shall be paid into a special fund  
22 to be designated as the "Community Mental Health Fund" which  
23 shall, upon authorization by the appropriate governmental  
24 unit, be administered by the community mental health board and  
25 used only for the purposes specified in this Act. Nothing  
26 contained herein shall in any way preclude the use of other

1 funds available for such purposes under any existing Federal,  
2 State or local statute. Interest earned from moneys deposited  
3 in this Fund shall only be used for purposes which are  
4 authorized by this Act.

5 In any city, village, incorporated town, or township which  
6 levies a tax for the purpose of providing community mental  
7 health facilities and services and part or all of such city,  
8 village, incorporated town, or township is in a county or  
9 township, as the case may be, which levies a tax to provide  
10 community mental health facilities and services under the  
11 provisions of this Act, such county or township, as the case  
12 may be, shall pay to such city, village, incorporated town, or  
13 township, as the case may be, the entire amount collected from  
14 taxes under this Section on property subject to a tax which any  
15 city, village, incorporated town, or township thereof levies  
16 to provide community mental health facilities and services.

17 Whenever any city, village, incorporated town, or township  
18 receives any payments from a county or township as provided  
19 above, such city, village, incorporated town, or township  
20 shall reduce and abate from the tax levied by the authority of  
21 this Section a rate which would produce an amount equal to the  
22 amount received from such county or township.

23 (Source: P.A. 95-336, eff. 8-21-07.)

24 (405 ILCS 20/7) (from Ch. 91 1/2, par. 307)

25 Sec. 7. When the petition provided for in Section 6 is

1 presented to the clerk of the governmental unit requesting the  
 2 establishment and maintenance of such mental health facilities  
 3 and services for residents of the community and the levy of  
 4 such an annual tax therefor, the clerk of the governmental  
 5 unit shall certify to the proper election officials the  
 6 proposition for the levy of such tax which shall be submitted  
 7 at a regular election in accordance with the general election  
 8 law. The proposition shall be in substantially the following  
 9 form:

10 -----

11 Shall.....

12 (governmental unit) establish and  
 13 maintain community mental health  
 14 facilities and services including  
 15 facilities and services for the  
 16 person with a developmental  
 17 disability or a substance  
 18 use disorder and levy therefor an  
 19 annual tax of not to exceed .15%?

YES

-----

NO

20 -----

21 In addition to certification of the question, the clerk of  
 22 the governmental unit shall prepare and submit to the proper  
 23 elected officials the following language which shall have  
 24 printed thereon, but not as part of the proposition submitted,  
 25 only the following supplemental information (which shall be  
 26 supplied to the election authority by the taxing district) in



1 substantially the following form:

2 (1) The approximate amount of taxes extendable at the  
3 most recently extended limiting rate is \$...., and the  
4 approximate amount of taxes extendable if the proposition  
5 is approved is \$....

6 (2) For the .... (insert the first levy year for which  
7 the new rate or increase limiting rate will be applicable)  
8 levy year the approximate amount of the additional tax  
9 extendable against property containing a single family  
10 residence and having a fair market value at the time of the  
11 referendum of \$100,000 is estimated to be \$....

12 If a proposition contains the language in substantially  
13 the form provided in paragraphs (1) and (2), the referendum is  
14 valid notwithstanding any other provision of the law.

15 If a majority of all the votes cast upon the proposition  
16 are in favor thereof, the governing body of such governmental  
17 unit shall establish and maintain such community mental health  
18 facilities and services and shall annually levy such tax.  
19 Thereafter, the governing body shall in the annual  
20 appropriation bill appropriate from such funds such sum or  
21 sums of money as may be deemed necessary, based upon the  
22 community mental health board's budget, the board's annual  
23 mental health report, and the board's plan to defray necessary  
24 expenses and liabilities in providing for such community  
25 mental health facilities and services.

26 Nothing in this Section prevents a governmental unit from

1 levying less than the amount approved by the voters via  
2 referendum in any given year or varying the amount levied from  
3 year to year as approved by the governmental unit.

4 (Source: P.A. 95-336, eff. 8-21-07.)

5 Section 175-97. Retroactivity. The changes made by this  
6 Article apply to referenda creating community mental health  
7 boards, including community mental health boards located in  
8 counties that have adopted a county executive form of  
9 government under Division 2-5 of the Counties Code, to levy an  
10 annual tax for the establishment and maintenance of mental  
11 health facilities and services for residents of the community  
12 that were approved or validated on or after January 1, 2020 and  
13 to referenda that are approved on or after the effective date  
14 of this Article.

15 ARTICLE 999.

16 Section 999-95. No acceleration or delay. Where this Act  
17 makes changes in a statute that is represented in this Act by  
18 text that is not yet or no longer in effect (for example, a  
19 Section represented by multiple versions), the use of that  
20 text does not accelerate or delay the taking effect of (i) the  
21 changes made by this Act or (ii) provisions derived from any  
22 other Public Act.

1           Section 999-97. Severability. The provisions of this Act  
2 are severable under Section 1.31 of the Statute on Statutes.

3           Section 999-99. Effective date. This Act takes effect upon  
4 becoming law, except that Article 65 takes effect July 1,  
5 2024, Articles 25, 75, 80, 93, 125, 135, and 140 take effect  
6 January 1, 2025, and Article 150 takes effect July 1, 2025.