



Sen. Celina Villanueva

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1 AMENDMENT TO HOUSE BILL 4951

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4951, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "ARTICLE 5.

6 Section 5-5. The Department of Revenue Law of the Civil  
7 Administrative Code of Illinois is amended by adding Section  
8 2505-815 as follows:

9 (20 ILCS 2505/2505-815 new)

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

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

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

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

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

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

16          (4) two representatives from a statewide organization  
17       that represents county clerks and recorders, with one  
18       representative from a county with a 2020 population of  
19       fewer than 25,000 persons and one representative from a  
20       county with a 2020 population of 25,000 or more, to be  
21       appointed by the Director of Revenue;

22          (5) two representatives from a statewide organization  
23       that represents circuit clerks, with one representative  
24       from a county with a 2020 population of fewer than 25,000  
25       persons and one representative from a county with a 2020  
26       population of 25,000 or more, to be appointed by the Chief

1 Justice of the Supreme Court;

2 (6) two representatives from a statewide organization  
3 that represents county treasurers, 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 (7) four representatives from a statewide organization  
9 that represents county board members, with 2  
10 representatives from counties with a 2020 population of  
11 fewer than 25,000 persons and 2 representatives from  
12 counties with a 2020 population of 25,000 or more, to be  
13 appointed by the Governor; and

14 (8) four members from the General Assembly, with one  
15 member appointed by the President of the Senate, one  
16 member appointed by the Senate Minority Leader, one member  
17 appointed by the Speaker of the House of Representatives,  
18 and one member appointed by the House Minority Leader.

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

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

23 (1) a review and comparison of current statutory  
24 provisions and requirements for compensation of  
25 county-level officials;

26 (2) the proportion of salary and related costs borne

1 by State government compared to local government;

2 (3) job duties, education requirements, and other  
3 requirements of those serving as county-level officials;  
4 and

5 (4) current compensation levels for county-level  
6 officials as compared to comparable positions in  
7 non-governmental positions and comparable positions in  
8 other levels of government.

9 (e) On or before September 1, 2024, the Task Force members  
10 shall be appointed. On or before February 1, 2025, the Task  
11 Force shall prepare a status report that summarizes its work.  
12 The Task Force shall also prepare a comprehensive report  
13 either (i) on or before May 1, 2025 or (ii) on or before  
14 December 31, 2025, if all appointments to the Task Force are  
15 not made by September 1, 2024. The comprehensive report shall  
16 summarize the Task Force's findings and make recommendations  
17 on the implementation of changes to the compensation of chief  
18 county assessment officers, county auditors, county clerks and  
19 recorders, county coroners, county treasurers, and circuit  
20 clerks that will ensure compensation is competitive for  
21 recruitment and retention and will ensure parity exists among  
22 compensation levels within each profession, each county, and  
23 across the State.

24 (f) The Task Force is dissolved on January 1, 2026.

1           Section 10-1. Short title. This Act may be cited as the  
2 Workforce Development through Charitable Loan Repayment Act.  
3 References in this Article to "this Act" mean this Article.

4           Section 10-5. Purpose. The purpose of this Act is to  
5 create a private sector incentive for qualified workers to  
6 work and live in eligible areas while also reducing the  
7 student debt burden of those workers.

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

9           "Commission" means the Illinois Student Assistance  
10 Commission.

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

13           "Program" means the Workforce Development Through  
14 Charitable Loan Repayment Program established under this Act.

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

1 Section 10-17.

2 "Qualified worker" means an individual who meets all of  
3 the following:

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

6 (A) the business is a qualified new business  
7 venture that is registered with the Department of  
8 Commerce and Economic Opportunity under Section 220 of  
9 the Illinois Income Tax Act;

10 (B) the business is primarily engaged in a  
11 targeted growth industry;

12 (C) the business is a minority-owned business, a  
13 women-owned business, or a business owned by a person  
14 with a disability, as those terms are defined in the  
15 Business Enterprise for Minorities, Women, and Persons  
16 with Disabilities Act; or

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

20 (2) the individual is employed by the business  
21 described in paragraph (1) at a job site that is located in  
22 an Enterprise Zone, an Opportunity Zone, an underserved  
23 area, or an area that has a bachelor's degree attainment  
24 rate for the population that is below the State or  
25 national average for the population, as determined by the  
26 United States Census Bureau; and

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

6           "Student loan repayment assistance" means grants or  
7           post-graduation scholarships made by a community foundation  
8           directly to a student loan servicer on behalf of a qualified  
9           worker.

10          "Targeted growth industry" means one or more of the  
11          following:

- 12           (1) advanced manufacturing;
- 13           (2) agribusiness and food processing;
- 14           (3) transportation distribution and logistics;
- 15           (4) life sciences and biotechnology;
- 16           (5) business and professional services; or
- 17           (6) energy.

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

21          Section 10-15. Establishment of the Program;  
22          advertisement. The Workforce Development through Charitable  
23          Loan Repayment Program is hereby created for the purpose of  
24          facilitating student loan repayment assistance for qualified  
25          workers. The Program shall be administered by qualified

1 community foundations with the assistance of the Commission.  
2 The Commission shall advertise the program on its website.

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

4 (a) A qualified community foundation shall apply to the  
5 Commission, in the form and manner prescribed by the  
6 Commission, for eligibility to participate in the Program  
7 under this Act. Each application shall include:

8 (1) documentary evidence that the qualified community  
9 foundation meets the qualifications under Section  
10 170(b)(1)(A)(vi) of the Internal Revenue Code and  
11 substantially complies with the standards established by  
12 Community Foundations National Standards;

13 (2) a list of the names and addresses of all members of  
14 the governing board of the qualified community foundation;  
15 and

16 (3) a copy of the most recent financial audit of the  
17 qualified community foundation's accounts and records  
18 conducted by an independent certified public accountant in  
19 accordance with auditing standards generally accepted in  
20 the United States, government auditing standards, and  
21 rules adopted by the Commission.

22 (b) The Commission shall review and either approve or deny  
23 each application for participation. Applicants shall be  
24 notified of the status of their application within a  
25 reasonable amount of time after the completed application is



1 received.

2 (c) The Commission may provide, by rule, that qualified  
3 community foundations that are eligible to participate in tax  
4 incentive programs administered by other State agencies are  
5 automatically eligible to participate in the Program under  
6 this Section.

7 Section 10-20. Applications. Each qualified community  
8 foundation shall establish an application process for  
9 qualified workers to receive student loan repayment assistance  
10 from the qualified community foundation in accordance with  
11 this Act and rules adopted for the implementation of this Act  
12 by the Commission. If necessary due to limited funds, the  
13 qualified community foundation shall give priority to  
14 applicants with a higher student debt-to-income ratio when  
15 awarding student loan repayment assistance under the Program.

16 Section 10-25. Eligibility; work requirement. Each  
17 individual qualified community foundation shall certify the  
18 eligibility of qualified workers to receive student loan  
19 repayment assistance and establish work requirements in  
20 accordance with this Act, rules adopted by the Commission, and  
21 the requirements of the individual qualified community  
22 foundation.

23 Section 10-30. Administration; rules. Qualified community

1 foundations shall administer the Program under this Act and  
2 shall issue to qualified workers any forms required by the  
3 Commission or the Department of Revenue. The Commission shall  
4 adopt rules for the Program's effective implementation, except  
5 that rules regarding the documentation necessary to deduct  
6 student loan repayment assistance from the worker's income  
7 under subparagraph (LL) of subsection (a) of Section 203 of  
8 the Illinois Income Tax Act may be adopted by the Department of  
9 Revenue in consultation with the Commission. Individual  
10 qualified community foundations may impose requirements for  
11 participation in the Program, which shall not be inconsistent  
12 with this Act or the rules adopted by the Commission or the  
13 Department of Revenue in connection with this Act.

14 Section 10-35. Reporting. Each qualified community  
15 foundation shall submit an annual report to the Commission  
16 summarizing its loan repayment activity under the Program.  
17 Reports under this Section shall be submitted in the form and  
18 manner prescribed by the Commission.

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

21 (35 ILCS 5/203)

22 Sec. 203. Base income defined.

23 (a) Individuals.

1           (1) In general. In the case of an individual, base  
2 income means an amount equal to the taxpayer's adjusted  
3 gross income for the taxable year as modified by paragraph  
4 (2).

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

8           (A) An amount equal to all amounts paid or accrued  
9 to the taxpayer as interest or dividends during the  
10 taxable year to the extent excluded from gross income  
11 in the computation of adjusted gross income, except  
12 stock dividends of qualified public utilities  
13 described in Section 305(e) of the Internal Revenue  
14 Code;

15           (B) An amount equal to the amount of tax imposed by  
16 this Act to the extent deducted from gross income in  
17 the computation of adjusted gross income for the  
18 taxable year;

19           (C) An amount equal to the amount received during  
20 the taxable year as a recovery or refund of real  
21 property taxes paid with respect to the taxpayer's  
22 principal residence under the Revenue Act of 1939 and  
23 for which a deduction was previously taken under  
24 subparagraph (L) of this paragraph (2) prior to July  
25 1, 1991, the retrospective application date of Article  
26 4 of Public Act 87-17. In the case of multi-unit or

1 multi-use structures and farm dwellings, the taxes on  
2 the taxpayer's principal residence shall be that  
3 portion of the total taxes for the entire property  
4 which is attributable to such principal residence;

5 (D) 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 adjusted gross income;

9 (D-5) An amount, to the extent not included in  
10 adjusted gross income, equal to the amount of money  
11 withdrawn by the taxpayer in the taxable year from a  
12 medical care savings account and the interest earned  
13 on the account in the taxable year of a withdrawal  
14 pursuant to subsection (b) of Section 20 of the  
15 Medical Care Savings Account Act or subsection (b) of  
16 Section 20 of the Medical Care Savings Account Act of  
17 2000;

18 (D-10) For taxable years ending after December 31,  
19 1997, an amount equal to any eligible remediation  
20 costs that the individual deducted in computing  
21 adjusted gross income and for which the individual  
22 claims a credit under subsection (l) of Section 201;

23 (D-15) For taxable years 2001 and thereafter, an  
24 amount equal to the bonus depreciation deduction taken  
25 on the taxpayer's federal income tax return for the  
26 taxable year under subsection (k) of Section 168 of

1 the Internal Revenue Code;

2 (D-16) If the taxpayer sells, transfers, abandons,  
3 or otherwise disposes of property for which the  
4 taxpayer was required in any taxable year to make an  
5 addition modification under subparagraph (D-15), then  
6 an amount equal to the aggregate amount of the  
7 deductions taken in all taxable years under  
8 subparagraph (Z) with respect to that property.

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

16 The taxpayer is required to make the addition  
17 modification under this subparagraph only once with  
18 respect to any one piece of property;

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

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

20 This paragraph shall not apply to the following:

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

1           (ii) an item of interest paid, accrued, or  
2 incurred, directly or indirectly, to a person if  
3 the taxpayer can establish, based on a  
4 preponderance of the evidence, both of the  
5 following:

6           (a) the person, during the same taxable  
7 year, paid, accrued, or incurred, the interest  
8 to a person that is not a related member, and

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

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

23           (iv) an item of interest paid, accrued, or  
24 incurred, directly or indirectly, to a person if  
25 the taxpayer establishes by clear and convincing  
26 evidence that the adjustments are unreasonable; or

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

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

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



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

1 similar expenses and costs. For purposes of this  
2 subparagraph, "intangible property" includes patents,  
3 patent applications, trade names, trademarks, service  
4 marks, copyrights, mask works, trade secrets, and  
5 similar types of intangible assets.

6 This paragraph shall not apply to the following:

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

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

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

23 (b) the transaction giving rise to the  
24 intangible expense or cost between the  
25 taxpayer and the person did not have as a  
26 principal purpose the avoidance of Illinois

1 income tax, and is paid pursuant to a contract  
2 or agreement that reflects arm's-length terms;  
3 or

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

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

22 (D-19) For taxable years ending on or after  
23 December 31, 2008, an amount equal to the amount of  
24 insurance premium expenses and costs otherwise allowed  
25 as a deduction in computing base income, and that were  
26 paid, accrued, or incurred, directly or indirectly, to

1 a person who would be a member of the same unitary  
2 business group but for the fact that the person is  
3 prohibited under Section 1501(a)(27) from being  
4 included in the unitary business group because he or  
5 she is ordinarily required to apportion business  
6 income under different subsections of Section 304. The  
7 addition modification required by this subparagraph  
8 shall be reduced to the extent that dividends were  
9 included in base income of the unitary group for the  
10 same taxable year and received by the taxpayer or by a  
11 member of the taxpayer's unitary business group  
12 (including amounts included in gross income under  
13 Sections 951 through 964 of the Internal Revenue Code  
14 and amounts included in gross income under Section 78  
15 of the Internal Revenue Code) with respect to the  
16 stock of the same person to whom the premiums and costs  
17 were directly or indirectly paid, incurred, or  
18 accrued. The preceding sentence does not apply to the  
19 extent that the same dividends caused a reduction to  
20 the addition modification required under Section  
21 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this  
22 Act;

23 (D-20) For taxable years beginning on or after  
24 January 1, 2002 and ending on or before December 31,  
25 2006, in the case of a distribution from a qualified  
26 tuition program under Section 529 of the Internal

1 Revenue Code, other than (i) a distribution from a  
2 College Savings Pool created under Section 16.5 of the  
3 State Treasurer Act or (ii) a distribution from the  
4 Illinois Prepaid Tuition Trust Fund, an amount equal  
5 to the amount excluded from gross income under Section  
6 529(c)(3)(B). For taxable years beginning on or after  
7 January 1, 2007, in the case of a distribution from a  
8 qualified tuition program under Section 529 of the  
9 Internal Revenue Code, other than (i) a distribution  
10 from a College Savings Pool created under Section 16.5  
11 of the State Treasurer Act, (ii) a distribution from  
12 the Illinois Prepaid Tuition Trust Fund, or (iii) a  
13 distribution from a qualified tuition program under  
14 Section 529 of the Internal Revenue Code that (I)  
15 adopts and determines that its offering materials  
16 comply with the College Savings Plans Network's  
17 disclosure principles and (II) has made reasonable  
18 efforts to inform in-state residents of the existence  
19 of in-state qualified tuition programs by informing  
20 Illinois residents directly and, where applicable, to  
21 inform financial intermediaries distributing the  
22 program to inform in-state residents of the existence  
23 of in-state qualified tuition programs at least  
24 annually, an amount equal to the amount excluded from  
25 gross income under Section 529(c)(3)(B).

26 For the purposes of this subparagraph (D-20), a

1 qualified tuition program has made reasonable efforts  
2 if it makes disclosures (which may use the term  
3 "in-state program" or "in-state plan" and need not  
4 specifically refer to Illinois or its qualified  
5 programs by name) (i) directly to prospective  
6 participants in its offering materials or makes a  
7 public disclosure, such as a website posting; and (ii)  
8 where applicable, to intermediaries selling the  
9 out-of-state program in the same manner that the  
10 out-of-state program distributes its offering  
11 materials;

12 (D-20.5) For taxable years beginning on or after  
13 January 1, 2018, in the case of a distribution from a  
14 qualified ABLE program under Section 529A of the  
15 Internal Revenue Code, other than a distribution from  
16 a qualified ABLE program created under Section 16.6 of  
17 the State Treasurer Act, an amount equal to the amount  
18 excluded from gross income under Section 529A(c)(1)(B)  
19 of the Internal Revenue Code;

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

1           (D-21.5) For taxable years beginning on or after  
2           January 1, 2018, in the case of the transfer of moneys  
3           from a qualified tuition program under Section 529 or  
4           a qualified ABLE program under Section 529A of the  
5           Internal Revenue Code that is administered by this  
6           State to an ABLE account established under an  
7           out-of-state ABLE account program, an amount equal to  
8           the contribution component of the transferred amount  
9           that was previously deducted from base income under  
10          subsection (a)(2)(Y) or subsection (a)(2)(HH) of this  
11          Section;

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

1           Treasurer Act, of moneys from a qualified tuition  
2           program under Section 529 of the Internal Revenue Code  
3           administered by the State, an amount equal to the  
4           contribution component of the nonqualified withdrawal  
5           or refund that was previously deducted from base  
6           income under subsection (a)(2)(Y) of this Section, and  
7           (2) in the case of a nonqualified withdrawal or refund  
8           from a qualified ABLE program under Section 529A of  
9           the Internal Revenue Code administered by the State  
10          that is not used for qualified disability expenses, an  
11          amount equal to the contribution component of the  
12          nonqualified withdrawal or refund that was previously  
13          deducted from base income under subsection (a)(2)(HH)  
14          of this Section;

15                 (D-23) 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                 (D-24) 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                 (D-25) In the case of a resident, an amount equal  
24                 to the amount of tax for which a credit is allowed  
25                 pursuant to Section 201(p)(7) of this Act;

26          and by deducting from the total so obtained the sum of the



1 following amounts:

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

1           respect of any compensation paid to a resident in 2001  
2           or thereafter by reason of being a member of the  
3           Illinois National Guard or, beginning with taxable  
4           years ending on or after December 31, 2007, the  
5           National Guard of any other state. The provisions of  
6           this subparagraph (E) are exempt from the provisions  
7           of Section 250;

8           (F) 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  
11          408 of the Internal Revenue Code, or included in such  
12          total 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          (G) The valuation limitation amount;

20          (H) 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          (I) An amount equal to all amounts included in  
24          such total pursuant to the provisions of Section 111  
25          of the Internal Revenue Code as a recovery of items  
26          previously deducted from adjusted gross income in the

1 computation of taxable income;

2 (J) An amount equal to those dividends included in  
3 such total which were paid by a corporation which  
4 conducts business operations in a River Edge  
5 Redevelopment Zone or zones created under the River  
6 Edge Redevelopment Zone Act, and conducts  
7 substantially all of its operations in a River Edge  
8 Redevelopment Zone or zones. This subparagraph (J) is  
9 exempt from the provisions of Section 250;

10 (K) 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 (J) of paragraph (2) of this subsection  
17 shall not be eligible for the deduction provided under  
18 this subparagraph (K);

19 (L) For taxable years ending after December 31,  
20 1983, an amount equal to all social security benefits  
21 and railroad retirement benefits included in such  
22 total pursuant to Sections 72(r) and 86 of the  
23 Internal Revenue Code;

24 (M) With the exception of any amounts subtracted  
25 under subparagraph (N), an amount equal to the sum of  
26 all amounts disallowed as deductions by (i) Sections

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

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

1           (P) An amount equal to the amount of the deduction  
2           used to compute the federal income tax credit for  
3           restoration of substantial amounts held under claim of  
4           right for the taxable year pursuant to Section 1341 of  
5           the Internal Revenue Code or of any itemized deduction  
6           taken from adjusted gross income in the computation of  
7           taxable income for restoration of substantial amounts  
8           held under claim of right for the taxable year;

9           (Q) An amount equal to any amounts included in  
10          such total, received by the taxpayer as an  
11          acceleration in the payment of life, endowment or  
12          annuity benefits in advance of the time they would  
13          otherwise be payable as an indemnity for a terminal  
14          illness;

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

17          (S) An amount, to the extent included in adjusted  
18          gross income, equal to the amount of a contribution  
19          made in the taxable year on behalf of the taxpayer to a  
20          medical care savings account established under the  
21          Medical Care Savings Account Act or the Medical Care  
22          Savings Account Act of 2000 to the extent the  
23          contribution is accepted by the account administrator  
24          as provided in that Act;

25          (T) An amount, to the extent included in adjusted  
26          gross income, equal to the amount of interest earned

1 in the taxable year on a medical care savings account  
2 established under the Medical Care Savings Account Act  
3 or the Medical Care Savings Account Act of 2000 on  
4 behalf of the taxpayer, other than interest added  
5 pursuant to item (D-5) of this paragraph (2);

6 (U) For one taxable year beginning on or after  
7 January 1, 1994, an amount equal to the total amount of  
8 tax imposed and paid under subsections (a) and (b) of  
9 Section 201 of this Act on grant amounts received by  
10 the taxpayer under the Nursing Home Grant Assistance  
11 Act during the taxpayer's taxable years 1992 and 1993;

12 (V) Beginning with tax years ending on or after  
13 December 31, 1995 and ending with tax years ending on  
14 or before December 31, 2004, an amount equal to the  
15 amount paid by a taxpayer who is a self-employed  
16 taxpayer, a partner of a partnership, or a shareholder  
17 in a Subchapter S corporation for health insurance or  
18 long-term care insurance for that taxpayer or that  
19 taxpayer's spouse or dependents, to the extent that  
20 the amount paid for that health insurance or long-term  
21 care insurance may be deducted under Section 213 of  
22 the Internal Revenue Code, has not been deducted on  
23 the federal income tax return of the taxpayer, and  
24 does not exceed the taxable income attributable to  
25 that taxpayer's income, self-employment income, or  
26 Subchapter S corporation income; except that no

1 deduction shall be allowed under this item (V) if the  
2 taxpayer is eligible to participate in any health  
3 insurance or long-term care insurance plan of an  
4 employer of the taxpayer or the taxpayer's spouse. The  
5 amount of the health insurance and long-term care  
6 insurance subtracted under this item (V) shall be  
7 determined by multiplying total health insurance and  
8 long-term care insurance premiums paid by the taxpayer  
9 times a number that represents the fractional  
10 percentage of eligible medical expenses under Section  
11 213 of the Internal Revenue Code of 1986 not actually  
12 deducted on the taxpayer's federal income tax return;

13 (W) For taxable years beginning on or after  
14 January 1, 1998, all amounts included in the  
15 taxpayer's federal gross income in the taxable year  
16 from amounts converted from a regular IRA to a Roth  
17 IRA. This paragraph is exempt from the provisions of  
18 Section 250;

19 (X) For taxable year 1999 and thereafter, an  
20 amount equal to the amount of any (i) distributions,  
21 to the extent includible in gross income for federal  
22 income tax purposes, made to the taxpayer because of  
23 his or her status as a victim of persecution for racial  
24 or religious reasons by Nazi Germany or any other Axis  
25 regime or as an heir of the victim and (ii) items of  
26 income, to the extent includible in gross income for

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

26 (Y) For taxable years beginning on or after



1 January 1, 2002 and ending on or before December 31,  
2 2004, moneys contributed in the taxable year to a  
3 College Savings Pool account under Section 16.5 of the  
4 State Treasurer Act, 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 taxable  
8 years beginning on or after January 1, 2005, a maximum  
9 of \$10,000 contributed in the taxable year to (i) a  
10 College Savings Pool account under Section 16.5 of the  
11 State Treasurer Act or (ii) the Illinois Prepaid  
12 Tuition Trust Fund, except that amounts excluded from  
13 gross income under Section 529(c)(3)(C)(i) of the  
14 Internal Revenue Code shall not be considered moneys  
15 contributed under this subparagraph (Y). For purposes  
16 of this subparagraph, contributions made by an  
17 employer on behalf of an employee, or matching  
18 contributions made by an employee, shall be treated as  
19 made by the employee. This subparagraph (Y) is exempt  
20 from the provisions of Section 250;

21 (Z) 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 (Z) is exempt from the provisions of  
23 Section 250;

24 (AA) If the taxpayer sells, transfers, abandons,  
25 or otherwise disposes of property for which the  
26 taxpayer was required in any taxable year to make an

1 addition modification under subparagraph (D-15), then  
2 an amount 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 (Z) and for which the taxpayer was  
7 required in any taxable year to make an addition  
8 modification under subparagraph (D-15), 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 (AA) is exempt from the  
14 provisions of Section 250;

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

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

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

9 (DD) An amount equal to the interest income taken  
10 into account for the taxable year (net of the  
11 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(a)(2)(D-17) for interest paid, accrued, or

1 incurred, directly or indirectly, to the same person.  
2 This subparagraph (DD) is exempt from the provisions  
3 of Section 250;

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

25 (FF) An amount equal to any amount awarded to the  
26 taxpayer during the taxable year by the Court of

1 Claims under subsection (c) of Section 8 of the Court  
2 of Claims Act for time unjustly served in a State  
3 prison. This subparagraph (FF) is exempt from the  
4 provisions of Section 250;

5 (GG) For taxable years ending on or after December  
6 31, 2011, in the case of a taxpayer who was required to  
7 add back any insurance premiums under Section  
8 203(a)(2)(D-19), such taxpayer may elect to subtract  
9 that part of a reimbursement received from the  
10 insurance company equal to the amount of the expense  
11 or loss (including expenses incurred by the insurance  
12 company) that would have been taken into account as a  
13 deduction for federal income tax purposes if the  
14 expense or loss had been uninsured. If a taxpayer  
15 makes the election provided for by this subparagraph  
16 (GG), the insurer to which the premiums were paid must  
17 add back to income the amount subtracted by the  
18 taxpayer pursuant to this subparagraph (GG). This  
19 subparagraph (GG) is exempt from the provisions of  
20 Section 250;

21 (HH) For taxable years beginning on or after  
22 January 1, 2018 and prior to January 1, 2028, a maximum  
23 of \$10,000 contributed in the taxable year to a  
24 qualified ABLE account under Section 16.6 of the State  
25 Treasurer Act, except that amounts excluded from gross  
26 income under Section 529(c)(3)(C)(i) or Section

1           529A(c)(1)(C) of the Internal Revenue Code shall not  
2           be considered moneys contributed under this  
3           subparagraph (HH). For purposes of this subparagraph  
4           (HH), contributions made by an employer on behalf of  
5           an employee, or matching contributions made by an  
6           employee, shall be treated as made by the employee;

7           (II) For taxable years that begin on or after  
8           January 1, 2021 and begin before January 1, 2026, the  
9           amount that is included in the taxpayer's federal  
10          adjusted gross income pursuant to Section 61 of the  
11          Internal Revenue Code as discharge of indebtedness  
12          attributable to student loan forgiveness and that is  
13          not excluded from the taxpayer's federal adjusted  
14          gross income pursuant to paragraph (5) of subsection  
15          (f) of Section 108 of the Internal Revenue Code; ~~and~~

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



1 this subparagraph (JJ) are exempt from the provisions  
2 of Section 250;~~;~~

3 (KK) ~~(JJ)~~ To the extent includible in gross income  
4 for federal income tax purposes, any amount awarded or  
5 paid to the taxpayer as a result of a judgment or  
6 settlement for fertility fraud as provided in Section  
7 15 of the Illinois Fertility Fraud Act, donor  
8 fertility fraud as provided in Section 20 of the  
9 Illinois Fertility Fraud Act, or similar action in  
10 another state; and ~~;~~

11 (LL) For taxable years beginning on or after  
12 January 1, 2026, if the taxpayer is a qualified  
13 worker, as defined in the Workforce Development  
14 through Charitable Loan Repayment Act, an amount equal  
15 to the amount included in the taxpayer's federal  
16 adjusted gross income that is attributable to student  
17 loan repayment assistance received by the taxpayer  
18 during the taxable year from a qualified community  
19 foundation under the provisions of the Workforce  
20 Development Through Charitable Loan Repayment Act.

21 This subparagraph (LL) is exempt from the  
22 provisions of Section 250.

23 (b) Corporations.

24 (1) In general. In the case of a corporation, 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 and all distributions  
7 received from regulated investment companies during  
8 the taxable year to the extent excluded from gross  
9 income in the computation of taxable income;

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

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

24 (D) The amount of any net operating loss deduction  
25 taken in arriving at taxable income, other than a net  
26 operating loss carried forward from a taxable year

1 ending prior to December 31, 1986;

2 (E) For taxable years in which a net operating  
3 loss carryback or carryforward from a taxable year  
4 ending prior to December 31, 1986 is an element of  
5 taxable income under paragraph (1) of subsection (e)  
6 or subparagraph (E) of paragraph (2) of subsection  
7 (e), the amount by which addition modifications other  
8 than those provided by this subparagraph (E) exceeded  
9 subtraction modifications in such earlier taxable  
10 year, with the following limitations applied in the  
11 order that they are listed:

12 (i) 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 be reduced by the amount  
16 of addition modification under this subparagraph  
17 (E) which related to that net operating loss and  
18 which was taken into account in calculating the  
19 base income of an earlier taxable year, and

20 (ii) the addition modification relating to the  
21 net operating loss carried back or forward to the  
22 taxable year from any taxable year ending prior to  
23 December 31, 1986 shall not exceed the amount of  
24 such carryback or carryforward;

25 For taxable years in which there is a net  
26 operating loss carryback or carryforward from more

1 than one other taxable year ending prior to December  
2 31, 1986, the addition modification provided in this  
3 subparagraph (E) shall be the sum of the amounts  
4 computed independently under the preceding provisions  
5 of this subparagraph (E) for each such taxable year;

6 (E-5) For taxable years ending after December 31,  
7 1997, an amount equal to any eligible remediation  
8 costs that the corporation deducted in computing  
9 adjusted gross income and for which the corporation  
10 claims a credit under subsection (l) of Section 201;

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

16 (E-11) 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 (E-10), then  
20 an amount equal to the aggregate amount of the  
21 deductions taken in all taxable years under  
22 subparagraph (T) with respect to that property.

23 If the taxpayer continues to own property through  
24 the last day of the last tax year for which a  
25 subtraction is allowed with respect to that property  
26 under subparagraph (T) and for which the taxpayer was

1 allowed in any taxable year to make a subtraction  
2 modification under subparagraph (T), then an amount  
3 equal to that subtraction modification.

4 The taxpayer is required to make the addition  
5 modification under this subparagraph only once with  
6 respect to any one piece of property;

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

1 taxpayer's unitary business group (including amounts  
2 included in gross income pursuant to Sections 951  
3 through 964 of the Internal Revenue Code and amounts  
4 included in gross income under Section 78 of the  
5 Internal Revenue Code) with respect to the stock of  
6 the same person to whom the interest was paid,  
7 accrued, or incurred.

8 This paragraph shall not apply to the following:

9 (i) an item of interest paid, accrued, or  
10 incurred, directly or indirectly, to 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 interest; or

15 (ii) an item of interest paid, accrued, or  
16 incurred, directly or indirectly, to a person if  
17 the taxpayer can establish, based on a  
18 preponderance of the evidence, both of the  
19 following:

20 (a) the person, during the same taxable  
21 year, paid, accrued, or incurred, the interest  
22 to a person that is not a related member, and

23 (b) the transaction giving rise to the  
24 interest expense between the taxpayer and the  
25 person did not have as a principal purpose the  
26 avoidance of Illinois income tax, and is paid

1           pursuant to a contract or agreement that  
2           reflects an arm's-length interest rate and  
3           terms; or

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

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

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

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



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

20 This paragraph shall not apply to the following:

21 (i) any item of intangible expenses or costs  
22 paid, accrued, or incurred, directly or  
23 indirectly, from a transaction with 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 item; or

2 (ii) any item of intangible expense or cost  
3 paid, accrued, or incurred, directly or  
4 indirectly, if the taxpayer can establish, based  
5 on a preponderance of the evidence, both of the  
6 following:

7 (a) the person during the same taxable  
8 year paid, accrued, or incurred, the  
9 intangible expense or cost to a person that is  
10 not a related member, and

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

18 (iii) any item of intangible expense or cost  
19 paid, accrued, or incurred, directly or  
20 indirectly, from a transaction with a person if  
21 the taxpayer establishes by clear and convincing  
22 evidence, that the adjustments are unreasonable;  
23 or if the taxpayer and the Director agree in  
24 writing to the application or use of an  
25 alternative method of apportionment under Section  
26 304(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;

10           (E-14) For taxable years ending on or after  
11           December 31, 2008, an amount equal to the amount of  
12           insurance premium expenses and costs otherwise allowed  
13           as a deduction in computing base income, and that were  
14           paid, accrued, or incurred, directly or indirectly, 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. The  
21           addition modification required by this subparagraph  
22           shall be reduced to the extent that dividends were  
23           included in base income of the unitary group for the  
24           same taxable year and received by the taxpayer or by a  
25           member of the taxpayer's unitary business group  
26           (including amounts included in gross income under

1 Sections 951 through 964 of the Internal Revenue Code  
2 and amounts included in gross income under Section 78  
3 of the Internal Revenue Code) with respect to the  
4 stock of the same person to whom the premiums and costs  
5 were directly or indirectly paid, incurred, or  
6 accrued. The preceding sentence does not apply to the  
7 extent that the same dividends caused a reduction to  
8 the addition modification required under Section  
9 203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this  
10 Act;

11 (E-15) For taxable years beginning after December  
12 31, 2008, any deduction for dividends paid by a  
13 captive real estate investment trust that is allowed  
14 to a real estate investment trust under Section  
15 857(b)(2)(B) of the Internal Revenue Code for  
16 dividends paid;

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

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

25 (E-18) for taxable years beginning after December  
26 31, 2018, an amount equal to the deduction allowed

1 under Section 250(a)(1)(A) of the Internal Revenue  
2 Code for the taxable year;

3 (E-19) for taxable years ending on or after June  
4 30, 2021, an amount equal to the deduction allowed  
5 under Section 250(a)(1)(B)(i) of the Internal Revenue  
6 Code for the taxable year;

7 (E-20) for taxable years ending on or after June  
8 30, 2021, an amount equal to the deduction allowed  
9 under Sections 243(e) and 245A(a) of the Internal  
10 Revenue Code for the taxable year.

11 and by deducting from the total so obtained the sum of the  
12 following amounts:

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

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

18 (H) In the case of a regulated investment company,  
19 an amount equal to the amount of exempt interest  
20 dividends as defined in subsection (b)(5) of Section  
21 852 of the Internal Revenue Code, paid to shareholders  
22 for the taxable year;

23 (I) With the exception of any amounts subtracted  
24 under subparagraph (J), an amount equal to the sum of  
25 all amounts disallowed as deductions by (i) Sections  
26 171(a)(2) and 265(a)(2) and amounts disallowed as

1 interest expense by Section 291(a)(3) of the Internal  
2 Revenue Code, and all amounts of expenses allocable to  
3 interest and disallowed as deductions by Section  
4 265(a)(1) of the Internal Revenue Code; and (ii) for  
5 taxable years ending on or after August 13, 1999,  
6 Sections 171(a)(2), 265, 280C, 291(a)(3), and  
7 832(b)(5)(B)(i) of the Internal Revenue Code, plus,  
8 for tax years ending on or after December 31, 2011,  
9 amounts disallowed as deductions by Section 45G(e)(3)  
10 of 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 and the policyholders' share of  
14 tax-exempt interest of a life insurance company under  
15 Section 807(a)(2)(B) of the Internal Revenue Code (in  
16 the case of a life insurance company with gross income  
17 from a decrease in reserves for the tax year) or  
18 Section 807(b)(1)(B) of the Internal Revenue Code (in  
19 the case of a life insurance company allowed a  
20 deduction for an increase in reserves for the tax  
21 year); the provisions of this subparagraph are exempt  
22 from the provisions of Section 250;

23 (J) An amount equal to all amounts included in  
24 such total 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 (K) An amount equal to those dividends included in  
7 such total which were paid by a corporation which  
8 conducts business operations in a River Edge  
9 Redevelopment Zone or zones created under the River  
10 Edge Redevelopment Zone Act and conducts substantially  
11 all of its operations in a River Edge Redevelopment  
12 Zone or zones. This subparagraph (K) is exempt from  
13 the provisions of Section 250;

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

23 (M) For any taxpayer that is a financial  
24 organization within the meaning of Section 304(c) of  
25 this Act, an amount included in such total as interest  
26 income from a loan or loans made by such taxpayer to a

1 borrower, to the extent that such a loan is secured by  
2 property which is eligible for the River Edge  
3 Redevelopment Zone Investment Credit. To determine the  
4 portion of a loan or loans that is secured by property  
5 eligible for a Section 201(f) investment credit to the  
6 borrower, the entire principal amount of the loan or  
7 loans between the taxpayer and the borrower should be  
8 divided into the basis of the Section 201(f)  
9 investment credit property which secures the loan or  
10 loans, using for this purpose the original basis of  
11 such property on the date that it was placed in service  
12 in the River Edge Redevelopment Zone. The subtraction  
13 modification available to the taxpayer in any year  
14 under this subsection shall be that portion of the  
15 total interest paid by the borrower with respect to  
16 such loan attributable to the eligible property as  
17 calculated under the previous sentence. This  
18 subparagraph (M) is exempt from the provisions of  
19 Section 250;

20 (M-1) For any taxpayer that is a financial  
21 organization within the meaning of Section 304(c) of  
22 this Act, an amount included in such total as interest  
23 income from a loan or loans made by such taxpayer to a  
24 borrower, to the extent that such a loan is secured by  
25 property which is eligible for the High Impact  
26 Business Investment Credit. To determine the portion



1 of a loan or loans that is secured by property eligible  
2 for a Section 201(h) investment credit to the  
3 borrower, the entire principal amount of the loan or  
4 loans between the taxpayer and the borrower should be  
5 divided into the basis of the Section 201(h)  
6 investment credit property which secures the loan or  
7 loans, using for this purpose the original basis of  
8 such property on the date that it was placed in service  
9 in a federally designated Foreign Trade Zone or  
10 Sub-Zone located in Illinois. No taxpayer that is  
11 eligible for the deduction provided in subparagraph  
12 (M) of paragraph (2) of this subsection shall be  
13 eligible for the deduction provided under this  
14 subparagraph (M-1). The subtraction modification  
15 available to taxpayers in any year under this  
16 subsection shall be that portion of the total interest  
17 paid by the borrower with respect to such loan  
18 attributable to the eligible property as calculated  
19 under the previous sentence;

20 (N) Two times any contribution made during the  
21 taxable year to a designated zone organization to the  
22 extent that the contribution (i) qualifies as a  
23 charitable contribution under subsection (c) of  
24 Section 170 of the Internal Revenue Code and (ii)  
25 must, by its terms, be used for a project approved by  
26 the Department of Commerce and Economic Opportunity

1 under Section 11 of the Illinois Enterprise Zone Act  
2 or under Section 10-10 of the River Edge Redevelopment  
3 Zone Act. This subparagraph (N) is exempt from the  
4 provisions of Section 250;

5 (O) An amount equal to: (i) 85% for taxable years  
6 ending on or before December 31, 1992, or, a  
7 percentage equal to the percentage allowable under  
8 Section 243(a)(1) of the Internal Revenue Code of 1986  
9 for taxable years ending after December 31, 1992, of  
10 the amount by which dividends included in taxable  
11 income and received from a corporation that is not  
12 created or organized under the laws of the United  
13 States or any state or political subdivision thereof,  
14 including, for taxable years ending on or after  
15 December 31, 1988, dividends received or deemed  
16 received or paid or deemed paid under Sections 951  
17 through 965 of the Internal Revenue Code, exceed the  
18 amount of the modification provided under subparagraph  
19 (G) of paragraph (2) of this subsection (b) which is  
20 related to such dividends, and including, for taxable  
21 years ending on or after December 31, 2008, dividends  
22 received from a captive real estate investment trust;  
23 plus (ii) 100% of the amount by which dividends,  
24 included in taxable income and received, including,  
25 for taxable years ending on or after December 31,  
26 1988, dividends received or deemed received or paid or

1 deemed paid under Sections 951 through 964 of the  
2 Internal Revenue Code and including, for taxable years  
3 ending on or after December 31, 2008, dividends  
4 received from a captive real estate investment trust,  
5 from any such corporation specified in clause (i) that  
6 would but for the provisions of Section 1504(b)(3) of  
7 the Internal Revenue Code be treated as a member of the  
8 affiliated group which includes the dividend  
9 recipient, exceed the amount of the modification  
10 provided under subparagraph (G) of paragraph (2) of  
11 this subsection (b) which is related to such  
12 dividends. For taxable years ending on or after June  
13 30, 2021, (i) for purposes of this subparagraph, the  
14 term "dividend" does not include any amount treated as  
15 a dividend under Section 1248 of the Internal Revenue  
16 Code, and (ii) this subparagraph shall not apply to  
17 dividends for which a deduction is allowed under  
18 Section 245(a) of the Internal Revenue Code. This  
19 subparagraph (O) is exempt from the provisions of  
20 Section 250 of this Act;

21 (P) An amount equal to any contribution made to a  
22 job training project established pursuant to the Tax  
23 Increment Allocation Redevelopment Act;

24 (Q) An amount equal to the amount of the deduction  
25 used to compute the federal income tax credit for  
26 restoration of substantial amounts held under claim of

1 right for the taxable year pursuant to Section 1341 of  
2 the Internal Revenue Code;

3 (R) On and after July 20, 1999, in the case of an  
4 attorney-in-fact with respect to whom an interinsurer  
5 or a reciprocal insurer has made the election under  
6 Section 835 of the Internal Revenue Code, 26 U.S.C.  
7 835, an amount equal to the excess, if any, of the  
8 amounts paid or incurred by that interinsurer or  
9 reciprocal insurer in the taxable year to the  
10 attorney-in-fact over the deduction allowed to that  
11 interinsurer or reciprocal insurer with respect to the  
12 attorney-in-fact under Section 835(b) of the Internal  
13 Revenue Code for the taxable year; the provisions of  
14 this subparagraph are exempt from the provisions of  
15 Section 250;

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

26 (T) For taxable years 2001 and thereafter, for the

1 taxable year in which the bonus depreciation deduction  
2 is taken on the taxpayer's federal income tax return  
3 under subsection (k) of Section 168 of the Internal  
4 Revenue Code and for each applicable taxable year  
5 thereafter, an amount equal to "x", where:

6 (1) "y" equals the amount of the depreciation  
7 deduction taken for the taxable year on the  
8 taxpayer's federal income tax return on property  
9 for which the bonus depreciation deduction was  
10 taken in any year under subsection (k) of Section  
11 168 of the Internal Revenue Code, but not  
12 including the bonus depreciation deduction;

13 (2) for taxable years ending on or before  
14 December 31, 2005, "x" equals "y" multiplied by 30  
15 and then divided by 70 (or "y" multiplied by  
16 0.429); and

17 (3) for taxable years ending after December  
18 31, 2005:

19 (i) for property on which a bonus  
20 depreciation deduction of 30% of the adjusted  
21 basis was taken, "x" equals "y" multiplied by  
22 30 and then divided by 70 (or "y" multiplied  
23 by 0.429);

24 (ii) for property on which a bonus  
25 depreciation deduction of 50% of the adjusted  
26 basis was taken, "x" equals "y" multiplied by

1 1.0;

2 (iii) for property on which a bonus  
3 depreciation deduction of 100% of the adjusted  
4 basis was taken in a taxable year ending on or  
5 after December 31, 2021, "x" equals the  
6 depreciation deduction that would be allowed  
7 on that property if the taxpayer had made the  
8 election under Section 168(k)(7) of the  
9 Internal Revenue Code to not claim bonus  
10 depreciation on that property; and

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

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

1           subparagraph (T) is exempt from the provisions of  
2           Section 250;

3           (U) If the taxpayer sells, transfers, abandons, or  
4           otherwise disposes of property for which the taxpayer  
5           was required in any taxable year to make an addition  
6           modification under subparagraph (E-10), then an amount  
7           equal to that addition modification.

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

15          The taxpayer is allowed to take the deduction  
16          under this subparagraph only once with respect to any  
17          one piece of property.

18          This subparagraph (U) is exempt from the  
19          provisions of Section 250;

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

1 the amount of such addition modification, (ii) any  
2 income from intangible property (net of the deductions  
3 allocable thereto) taken into account for the taxable  
4 year with respect to a transaction with a taxpayer  
5 that is required to make an addition modification with  
6 respect to such transaction under Section  
7 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
8 203(d)(2)(D-8), but not to exceed the amount of such  
9 addition modification, and (iii) any insurance premium  
10 income (net of deductions allocable thereto) taken  
11 into account for the taxable year with respect to a  
12 transaction with a taxpayer that is required to make  
13 an addition modification with respect to such  
14 transaction under Section 203(a)(2)(D-19), Section  
15 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section  
16 203(d)(2)(D-9), but not to exceed the amount of that  
17 addition modification. This subparagraph (V) is exempt  
18 from the provisions of Section 250;

19 (W) An amount equal to the interest income taken  
20 into account for the taxable year (net of the  
21 deductions allocable thereto) with respect to  
22 transactions with (i) a foreign person who would be a  
23 member of the taxpayer's unitary business group but  
24 for the fact that the foreign person's business  
25 activity outside the United States is 80% or more of  
26 that person's total business activity and (ii) for



1 taxable years ending on or after December 31, 2008, 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, but  
8 not to exceed the addition modification required to be  
9 made for the same taxable year under Section  
10 203(b)(2)(E-12) for interest paid, accrued, or  
11 incurred, directly or indirectly, to the same person.  
12 This subparagraph (W) is exempt from the provisions of  
13 Section 250;

14 (X) An amount equal to the income from intangible  
15 property taken into account for the taxable year (net  
16 of the 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-13) for intangible expenses and costs  
6 paid, accrued, or incurred, directly or indirectly, to  
7 the same foreign person. This subparagraph (X) is  
8 exempt from the provisions of Section 250;

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

25 (Z) The difference between the nondeductible  
26 controlled foreign corporation dividends under Section

1           965(e)(3) of the Internal Revenue Code over the  
2 taxable income of the taxpayer, computed without  
3 regard to Section 965(e)(2)(A) of the Internal Revenue  
4 Code, and without regard to any net operating loss  
5 deduction. This subparagraph (Z) is exempt from the  
6 provisions of Section 250; and

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

20           (3) Special rule. For purposes of paragraph (2)(A),  
21 "gross income" in the case of a life insurance company,  
22 for tax years ending on and after December 31, 1994, and  
23 prior to December 31, 2011, shall mean the gross  
24 investment income for the taxable year and, for tax years  
25 ending on or after December 31, 2011, shall mean all  
26 amounts included in life insurance gross income under

1 Section 803(a) (3) of the Internal Revenue Code.

2 (c) Trusts and estates.

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

6 (2) Modifications. Subject to the provisions of  
7 paragraph (3), the taxable income referred to in paragraph  
8 (1) shall be modified by adding thereto the sum of the  
9 following amounts:

10 (A) An amount equal to all amounts paid or accrued  
11 to the taxpayer as interest or dividends during the  
12 taxable year to the extent excluded from gross income  
13 in the computation of taxable income;

14 (B) In the case of (i) an estate, \$600; (ii) a  
15 trust which, under its governing instrument, is  
16 required to distribute all of its income currently,  
17 \$300; and (iii) any other trust, \$100, but in each such  
18 case, only to the extent such amount was deducted in  
19 the computation of taxable income;

20 (C) An amount equal to the amount of tax imposed by  
21 this Act to the extent deducted from gross income in  
22 the computation of taxable income for the taxable  
23 year;

24 (D) The amount of any net operating loss deduction  
25 taken in arriving at taxable income, other than a net

1 operating loss carried forward from a taxable year  
2 ending prior to December 31, 1986;

3 (E) For taxable years in which a net operating  
4 loss carryback or carryforward from a taxable year  
5 ending prior to December 31, 1986 is an element of  
6 taxable income under paragraph (1) of subsection (e)  
7 or subparagraph (E) of paragraph (2) of subsection  
8 (e), the amount by which addition modifications other  
9 than those provided by this subparagraph (E) exceeded  
10 subtraction modifications in such taxable year, with  
11 the following limitations applied in the order that  
12 they are listed:

13 (i) 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 be reduced by the amount  
17 of addition modification under this subparagraph  
18 (E) which related to that net operating loss and  
19 which was taken into account in calculating the  
20 base income of an earlier taxable year, and

21 (ii) the addition modification relating to the  
22 net operating loss carried back or forward to the  
23 taxable year from any taxable year ending prior to  
24 December 31, 1986 shall not exceed the amount of  
25 such carryback or carryforward;

26 For taxable years in which there is a net

1 operating loss carryback or carryforward from more  
2 than one other taxable year ending prior to December  
3 31, 1986, the addition modification provided in this  
4 subparagraph (E) shall be the sum of the amounts  
5 computed independently under the preceding provisions  
6 of this subparagraph (E) for each such taxable year;

7 (F) For taxable years ending on or after January  
8 1, 1989, an amount equal to the tax deducted pursuant  
9 to Section 164 of the Internal Revenue Code if the  
10 trust or estate is claiming the same tax for purposes  
11 of the Illinois foreign tax credit under Section 601  
12 of this Act;

13 (G) An amount equal to the amount of the capital  
14 gain deduction allowable under the Internal Revenue  
15 Code, to the extent deducted from gross income in the  
16 computation of taxable income;

17 (G-5) For taxable years ending after December 31,  
18 1997, an amount equal to any eligible remediation  
19 costs that the trust or estate deducted in computing  
20 adjusted gross income and for which the trust or  
21 estate claims a credit under subsection (l) of Section  
22 201;

23 (G-10) For taxable years 2001 and thereafter, an  
24 amount equal to the bonus depreciation deduction taken  
25 on the taxpayer's federal income tax return for the  
26 taxable year under subsection (k) of Section 168 of

1 the Internal Revenue Code; and

2 (G-11) If the taxpayer sells, transfers, abandons,  
3 or otherwise disposes of property for which the  
4 taxpayer was required in any taxable year to make an  
5 addition modification under subparagraph (G-10), then  
6 an amount equal to the aggregate amount of the  
7 deductions taken in all taxable years under  
8 subparagraph (R) with respect to that property.

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

16 The taxpayer is required to make the addition  
17 modification under this subparagraph only once with  
18 respect to any one piece of property;

19 (G-12) An amount equal to the amount otherwise  
20 allowed as a deduction in computing base income for  
21 interest paid, accrued, or incurred, directly or  
22 indirectly, (i) for taxable years ending on or after  
23 December 31, 2004, to a foreign person who would be a  
24 member of the same unitary business group but for the  
25 fact that the foreign person's business activity  
26 outside the United States is 80% or more of the foreign

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

20 This paragraph shall not apply to the following:

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



1           (ii) an item of interest paid, accrued, or  
2 incurred, directly or indirectly, to a person if  
3 the taxpayer can establish, based on a  
4 preponderance of the evidence, both of the  
5 following:

6           (a) the person, during the same taxable  
7 year, paid, accrued, or incurred, the interest  
8 to a person that is not a related member, and

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

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

23           (iv) an item of interest paid, accrued, or  
24 incurred, directly or indirectly, to a person if  
25 the taxpayer establishes by clear and convincing  
26 evidence that the adjustments are unreasonable; or

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

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

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

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

1 fees; and (5) other similar expenses and costs. For  
2 purposes of this subparagraph, "intangible property"  
3 includes patents, patent applications, trade names,  
4 trademarks, service marks, copyrights, mask works,  
5 trade secrets, and similar types of intangible assets.

6 This paragraph shall not apply to the following:

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

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

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

23 (b) the transaction giving rise to the  
24 intangible expense or cost between the  
25 taxpayer and the person did not have as a  
26 principal purpose the avoidance of Illinois

1 income tax, and is paid pursuant to a contract  
2 or agreement that reflects arm's-length terms;  
3 or

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

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

22 (G-14) For taxable years ending on or after  
23 December 31, 2008, an amount equal to the amount of  
24 insurance premium expenses and costs otherwise allowed  
25 as a deduction in computing base income, and that were  
26 paid, accrued, or incurred, directly or indirectly, to

1 a person who would be a member of the same unitary  
2 business group but for the fact that the person is  
3 prohibited under Section 1501(a)(27) from being  
4 included in the unitary business group because he or  
5 she is ordinarily required to apportion business  
6 income under different subsections of Section 304. The  
7 addition modification required by this subparagraph  
8 shall be reduced to the extent that dividends were  
9 included in base income of the unitary group for the  
10 same taxable year and received by the taxpayer or by a  
11 member of the taxpayer's unitary business group  
12 (including amounts included in gross income under  
13 Sections 951 through 964 of the Internal Revenue Code  
14 and amounts included in gross income under Section 78  
15 of the Internal Revenue Code) with respect to the  
16 stock of the same person to whom the premiums and costs  
17 were directly or indirectly paid, incurred, or  
18 accrued. The preceding sentence does not apply to the  
19 extent that the same dividends caused a reduction to  
20 the addition modification required under Section  
21 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this  
22 Act;

23 (G-15) An amount equal to the credit allowable to  
24 the taxpayer under Section 218(a) of this Act,  
25 determined without regard to Section 218(c) of this  
26 Act;

1           (G-16) For taxable years ending on or after  
2           December 31, 2017, an amount equal to the deduction  
3           allowed under Section 199 of the Internal Revenue Code  
4           for the taxable year;  
5           and by deducting from the total so obtained the sum of the  
6           following amounts:

7           (H) An amount equal to all amounts included in  
8           such total pursuant to the provisions of Sections  
9           402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408  
10          of the Internal Revenue Code or included in such total  
11          as distributions under the provisions of any  
12          retirement or disability plan for employees of any  
13          governmental agency or unit, or retirement payments to  
14          retired partners, which payments are excluded in  
15          computing net earnings from self employment by Section  
16          1402 of the Internal Revenue Code and regulations  
17          adopted pursuant thereto;

18          (I) The valuation limitation amount;

19          (J) 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          (K) An amount equal to all amounts included in  
23          taxable income as modified by subparagraphs (A), (B),  
24          (C), (D), (E), (F) and (G) which are exempt from  
25          taxation by this State either by reason of its  
26          statutes or Constitution or by reason of the

1 Constitution, treaties or statutes of the United  
2 States; provided that, in the case of any statute of  
3 this State that exempts income derived from bonds or  
4 other obligations from the tax imposed under this Act,  
5 the amount exempted shall be the interest net of bond  
6 premium amortization;

7 (L) With the exception of any amounts subtracted  
8 under subparagraph (K), 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 (M) 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 (M) is exempt from  
5           the provisions of Section 250;

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

9           (O) 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 (M) of paragraph (2) of this subsection  
16          shall not be eligible for the deduction provided under  
17          this subparagraph (O);

18          (P) 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          (Q) For taxable year 1999 and thereafter, an  
24          amount equal to the amount of any (i) distributions,  
25          to the extent includible in gross income for federal  
26          income tax purposes, made to the taxpayer because of

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

1 of items (i) and (ii) of this paragraph in gross income  
2 for federal income tax purposes. This paragraph is  
3 exempt from the provisions of Section 250;

4 (R) For taxable years 2001 and thereafter, for the  
5 taxable year in which the bonus depreciation deduction  
6 is taken on the taxpayer's federal income tax return  
7 under subsection (k) of Section 168 of the Internal  
8 Revenue Code and for each applicable taxable year  
9 thereafter, an amount equal to "x", where:

10 (1) "y" equals the amount of the depreciation  
11 deduction taken for the taxable year on the  
12 taxpayer's federal income tax return on property  
13 for which the bonus depreciation deduction was  
14 taken in any year under subsection (k) of Section  
15 168 of the Internal Revenue Code, but not  
16 including the bonus depreciation deduction;

17 (2) for taxable years ending on or before  
18 December 31, 2005, "x" equals "y" multiplied by 30  
19 and then divided by 70 (or "y" multiplied by  
20 0.429); and

21 (3) for taxable years ending after December  
22 31, 2005:

23 (i) for property on which a bonus  
24 depreciation deduction of 30% of the adjusted  
25 basis was taken, "x" equals "y" multiplied by  
26 30 and then divided by 70 (or "y" multiplied

1 by 0.429);

2 (ii) for property on which a bonus  
3 depreciation deduction of 50% of the adjusted  
4 basis was taken, "x" equals "y" multiplied by  
5 1.0;

6 (iii) for property on which a bonus  
7 depreciation deduction of 100% of the adjusted  
8 basis was taken in a taxable year ending on or  
9 after December 31, 2021, "x" equals the  
10 depreciation deduction that would be allowed  
11 on that property if the taxpayer had made the  
12 election under Section 168(k)(7) of the  
13 Internal Revenue Code to not claim bonus  
14 depreciation on that property; and

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

25 The aggregate amount deducted under this  
26 subparagraph in all taxable years for any one piece of

1 property may not exceed the amount of the bonus  
2 depreciation deduction taken on that property on the  
3 taxpayer's federal income tax return under subsection  
4 (k) of Section 168 of the Internal Revenue Code. This  
5 subparagraph (R) is exempt from the provisions of  
6 Section 250;

7 (S) If the taxpayer sells, transfers, abandons, or  
8 otherwise disposes of property for which the taxpayer  
9 was required in any taxable year to make an addition  
10 modification under subparagraph (G-10), then an amount  
11 equal to that addition modification.

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 (R) and for which the taxpayer was  
16 required in any taxable year to make an addition  
17 modification under subparagraph (G-10), then an amount  
18 equal to that addition modification.

19 The taxpayer is allowed to take the deduction  
20 under this subparagraph only once with respect to any  
21 one piece of property.

22 This subparagraph (S) is exempt from the  
23 provisions of Section 250;

24 (T) The amount of (i) any interest income (net of  
25 the deductions allocable thereto) taken into account  
26 for the taxable year with respect to a transaction

1 with a taxpayer that is required to make an addition  
2 modification with respect to such transaction under  
3 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
4 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
5 the amount of such addition modification and (ii) any  
6 income from intangible property (net of the deductions  
7 allocable thereto) taken into account for the taxable  
8 year with respect to a transaction with a taxpayer  
9 that is required to make an addition modification with  
10 respect to such transaction under Section  
11 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
12 203(d)(2)(D-8), but not to exceed the amount of such  
13 addition modification. This subparagraph (T) is exempt  
14 from the provisions of Section 250;

15 (U) An amount equal to the interest income taken  
16 into account for the taxable year (net of the  
17 deductions allocable thereto) with respect to  
18 transactions with (i) a foreign person who would be a  
19 member of the taxpayer's unitary business group but  
20 for the fact the foreign person's business activity  
21 outside the United States is 80% or more of that  
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, but not to exceed the  
4 addition modification required to be made for the same  
5 taxable year under Section 203(c)(2)(G-12) for  
6 interest paid, accrued, or incurred, directly or  
7 indirectly, to the same person. This subparagraph (U)  
8 is exempt from the provisions of Section 250;

9 (V) 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(c)(2)(G-13) for intangible expenses and costs

1           paid, accrued, or incurred, directly or indirectly, to  
2           the same foreign person. This subparagraph (V) is  
3           exempt from the provisions of Section 250;

4           (W) in the case of an estate, an amount equal to  
5           all amounts included in such total pursuant to the  
6           provisions of Section 111 of the Internal Revenue Code  
7           as a recovery of items previously deducted by the  
8           decedent from adjusted gross income in the computation  
9           of taxable income. This subparagraph (W) is exempt  
10          from Section 250;

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

16          (Y) For taxable years ending on or after December  
17          31, 2011, in the case of a taxpayer who was required to  
18          add back any insurance premiums under Section  
19          203(c)(2)(G-14), such taxpayer may elect to subtract  
20          that part of a reimbursement received from the  
21          insurance company equal to the amount of the expense  
22          or loss (including expenses incurred by the insurance  
23          company) that would have been taken into account as a  
24          deduction for federal income tax purposes if the  
25          expense or loss had been uninsured. If a taxpayer  
26          makes the election provided for by this subparagraph



1 (Y), the insurer to which the premiums were paid must  
2 add back to income the amount subtracted by the  
3 taxpayer pursuant to this subparagraph (Y). This  
4 subparagraph (Y) is exempt from the provisions of  
5 Section 250;

6 (Z) For taxable years beginning after December 31,  
7 2018 and before January 1, 2026, the amount of excess  
8 business loss of the taxpayer disallowed as a  
9 deduction by Section 461(1)(1)(B) of the Internal  
10 Revenue Code; and

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

24 (3) Limitation. The amount of any modification  
25 otherwise required under this subsection shall, under  
26 regulations prescribed by the Department, be adjusted by

1 any amounts included therein which were properly paid,  
2 credited, or required to be distributed, or permanently  
3 set aside for charitable purposes pursuant to Internal  
4 Revenue Code Section 642(c) during the taxable year.

5 (d) Partnerships.

6 (1) In general. In the case of a partnership, base  
7 income means an amount equal to the taxpayer's taxable  
8 income for the taxable year as modified by paragraph (2).

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

12 (A) An amount equal to all amounts paid or accrued  
13 to the taxpayer as interest or dividends during the  
14 taxable year to the extent excluded from gross income  
15 in the computation of taxable income;

16 (B) An amount equal to the amount of tax imposed by  
17 this Act to the extent deducted from gross income for  
18 the taxable year;

19 (C) The amount of deductions allowed to the  
20 partnership pursuant to Section 707 (c) of the  
21 Internal Revenue Code in calculating its taxable  
22 income;

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

1 computation of taxable income;

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

7 (D-6) If the taxpayer sells, transfers, abandons,  
8 or otherwise disposes of property for which the  
9 taxpayer was required in any taxable year to make an  
10 addition modification under subparagraph (D-5), then  
11 an amount equal to the aggregate amount of the  
12 deductions taken in all taxable years under  
13 subparagraph (O) with respect to that property.

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

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

24 (D-7) An amount equal to the amount otherwise  
25 allowed as a deduction in computing base income for  
26 interest paid, accrued, or incurred, directly or

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

25 This paragraph shall not apply to the following:

26 (i) an item of interest paid, accrued, or

1 incurred, directly or indirectly, to 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 interest; or

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

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

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

21 (iii) the taxpayer can establish, based on  
22 clear and convincing evidence, that the interest  
23 paid, accrued, or incurred relates to a contract  
24 or agreement entered into at arm's-length rates  
25 and terms and the principal purpose for the  
26 payment is not federal or Illinois tax avoidance;

1 or

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

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

18 (D-8) An amount equal to the amount of intangible  
19 expenses and costs otherwise allowed as a deduction in  
20 computing base income, and that were paid, accrued, or  
21 incurred, directly or indirectly, (i) for taxable  
22 years ending on or after December 31, 2004, to a  
23 foreign person who would be a member of the same  
24 unitary business group but for the fact that the  
25 foreign person's business activity outside the United  
26 States is 80% or more of that person's total business

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

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

11 This paragraph shall not apply to the following:

12 (i) any item of intangible expenses or costs  
13 paid, accrued, or incurred, directly or  
14 indirectly, from a transaction with 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 item; or

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

24 (a) the person during the same taxable  
25 year paid, accrued, or incurred, the  
26 intangible expense or cost to a person that is



1 not a related member, and

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

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

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

1           (D-9) For taxable years ending on or after  
2           December 31, 2008, an amount equal to the amount of  
3           insurance premium expenses and costs otherwise allowed  
4           as a deduction in computing base income, and that were  
5           paid, accrued, or incurred, directly or indirectly, 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. The  
12          addition modification required by this subparagraph  
13          shall be reduced to the extent that dividends were  
14          included in base income of the unitary group for the  
15          same taxable year and received by the taxpayer or by a  
16          member of the taxpayer's unitary business group  
17          (including amounts included in gross income under  
18          Sections 951 through 964 of the Internal Revenue Code  
19          and amounts included in gross income under Section 78  
20          of the Internal Revenue Code) with respect to the  
21          stock of the same person to whom the premiums and costs  
22          were directly or indirectly paid, incurred, or  
23          accrued. The preceding sentence does not apply to the  
24          extent that the same dividends caused a reduction to  
25          the addition modification required under Section  
26          203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

1           (D-10) An amount equal to the credit allowable to  
2           the taxpayer under Section 218(a) of this Act,  
3           determined without regard to Section 218(c) of this  
4           Act;

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

9           and by deducting from the total so obtained the following  
10          amounts:

11           (E) The valuation limitation amount;

12           (F) 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           (G) An amount equal to all amounts included in  
16           taxable income as modified by subparagraphs (A), (B),  
17           (C) and (D) 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           (H) Any income of the partnership which  
26           constitutes personal service income as defined in

1 Section 1348(b)(1) of the Internal Revenue Code (as in  
2 effect December 31, 1981) or a reasonable allowance  
3 for compensation paid or accrued for services rendered  
4 by partners to the partnership, whichever is greater;  
5 this subparagraph (H) is exempt from the provisions of  
6 Section 250;

7 (I) An amount equal to all amounts of income  
8 distributable to an entity subject to the Personal  
9 Property Tax Replacement Income Tax imposed by  
10 subsections (c) and (d) of Section 201 of this Act  
11 including amounts distributable to organizations  
12 exempt from federal income tax by reason of Section  
13 501(a) of the Internal Revenue Code; this subparagraph  
14 (I) is exempt from the provisions of Section 250;

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

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

6 (K) An amount equal to those dividends included in  
7 such total which were paid by a corporation which  
8 conducts business operations in a River Edge  
9 Redevelopment Zone or zones created under the River  
10 Edge Redevelopment Zone Act and conducts substantially  
11 all of its operations from a River Edge Redevelopment  
12 Zone or zones. This subparagraph (K) is exempt from  
13 the provisions of Section 250;

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

17 (M) An amount equal to those dividends included in  
18 such total that were paid by a corporation that  
19 conducts business operations in a federally designated  
20 Foreign Trade Zone or Sub-Zone and that is designated  
21 a High Impact Business located in Illinois; provided  
22 that dividends eligible for the deduction provided in  
23 subparagraph (K) of paragraph (2) of this subsection  
24 shall not be eligible for the deduction provided under  
25 this subparagraph (M);

26 (N) An amount equal to the amount of the deduction

1 used to compute the federal income tax credit for  
2 restoration of substantial amounts held under claim of  
3 right for the taxable year pursuant to Section 1341 of  
4 the Internal Revenue Code;

5 (O) 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 (O) is exempt from the provisions of  
7           Section 250;

8           (P) 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 (D-5), 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 (O) and for which the taxpayer was  
17          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          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 (P) is exempt from the  
24          provisions of Section 250;

25          (Q) 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 (Q) is exempt  
15 from Section 250;

16 (R) 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 that the foreign person's business  
22 activity outside the United States is 80% or more of  
23 that person's total business activity and (ii) for  
24 taxable years ending on or after December 31, 2008, to  
25 a person who would be a member of the same unitary  
26 business group but for the fact that the person is

1 prohibited under Section 1501(a)(27) from being  
2 included in the unitary business group because he or  
3 she is ordinarily required to apportion business  
4 income under different subsections of Section 304, but  
5 not to exceed the addition modification required to be  
6 made for the same taxable year under Section  
7 203(d)(2)(D-7) for interest paid, accrued, or  
8 incurred, directly or indirectly, to the same person.  
9 This subparagraph (R) is exempt from Section 250;

10 (S) 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(d)(2)(D-8) for intangible expenses and costs paid,  
2           accrued, or incurred, directly or indirectly, to the  
3           same person. This subparagraph (S) is exempt from  
4           Section 250;

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

21          (U) For taxable years beginning on or after  
22          January 1, 2023, for any cannabis establishment  
23          operating in this State and licensed under the  
24          Cannabis Regulation and Tax Act or any cannabis  
25          cultivation center or medical cannabis dispensing  
26          organization operating in this State and licensed

1           under the Compassionate Use of Medical Cannabis  
2           Program Act, an amount equal to the deductions that  
3           were disallowed under Section 280E of the Internal  
4           Revenue Code for the taxable year and that would not be  
5           added back under this subsection. The provisions of  
6           this subparagraph (U) are exempt from the provisions  
7           of Section 250.

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

9           (1) In general. Subject to the provisions of paragraph  
10          (2) and subsection (b)(3), for purposes of this Section  
11          and Section 803(e), a taxpayer's gross income, adjusted  
12          gross income, or taxable income for the taxable year shall  
13          mean the amount of gross income, adjusted gross income or  
14          taxable income properly reportable for federal income tax  
15          purposes for the taxable year under the provisions of the  
16          Internal Revenue Code. Taxable income may be less than  
17          zero. However, for taxable years ending on or after  
18          December 31, 1986, net operating loss carryforwards from  
19          taxable years ending prior to December 31, 1986, may not  
20          exceed the sum of federal taxable income for the taxable  
21          year before net operating loss deduction, plus the excess  
22          of addition modifications over subtraction modifications  
23          for the taxable year. For taxable years ending prior to  
24          December 31, 1986, taxable income may never be an amount  
25          in excess of the net operating loss for the taxable year as

1 defined in subsections (c) and (d) of Section 172 of the  
2 Internal Revenue Code, provided that when taxable income  
3 of a corporation (other than a Subchapter S corporation),  
4 trust, or estate is less than zero and addition  
5 modifications, other than those provided by subparagraph  
6 (E) of paragraph (2) of subsection (b) for corporations or  
7 subparagraph (E) of paragraph (2) of subsection (c) for  
8 trusts and estates, exceed subtraction modifications, an  
9 addition modification must be made under those  
10 subparagraphs for any other taxable year to which the  
11 taxable income less than zero (net operating loss) is  
12 applied under Section 172 of the Internal Revenue Code or  
13 under subparagraph (E) of paragraph (2) of this subsection  
14 (e) applied in conjunction with Section 172 of the  
15 Internal Revenue Code.

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

19 (A) Certain life insurance companies. In the case  
20 of a life insurance company subject to the tax imposed  
21 by Section 801 of the Internal Revenue Code, life  
22 insurance company taxable income, plus the amount of  
23 distribution from pre-1984 policyholder surplus  
24 accounts as calculated under Section 815a of the  
25 Internal Revenue Code;

26 (B) Certain other insurance companies. In the case

1 of mutual insurance companies subject to the tax  
2 imposed by Section 831 of the Internal Revenue Code,  
3 insurance company taxable income;

4 (C) Regulated investment companies. In the case of  
5 a regulated investment company subject to the tax  
6 imposed by Section 852 of the Internal Revenue Code,  
7 investment company taxable income;

8 (D) Real estate investment trusts. In the case of  
9 a real estate investment trust subject to the tax  
10 imposed by Section 857 of the Internal Revenue Code,  
11 real estate investment trust taxable income;

12 (E) Consolidated corporations. In the case of a  
13 corporation which is a member of an affiliated group  
14 of corporations filing a consolidated income tax  
15 return for the taxable year for federal income tax  
16 purposes, taxable income determined as if such  
17 corporation had filed a separate return for federal  
18 income tax purposes for the taxable year and each  
19 preceding taxable year for which it was a member of an  
20 affiliated group. For purposes of this subparagraph,  
21 the taxpayer's separate taxable income shall be  
22 determined as if the election provided by Section  
23 243(b)(2) of the Internal Revenue Code had been in  
24 effect for all such years;

25 (F) Cooperatives. In the case of a cooperative  
26 corporation or association, the taxable income of such

1 organization determined in accordance with the  
2 provisions of Section 1381 through 1388 of the  
3 Internal Revenue Code, but without regard to the  
4 prohibition against offsetting losses from patronage  
5 activities against income from nonpatronage  
6 activities; except that a cooperative corporation or  
7 association may make an election to follow its federal  
8 income tax treatment of patronage losses and  
9 nonpatronage losses. In the event such election is  
10 made, such losses shall be computed and carried over  
11 in a manner consistent with subsection (a) of Section  
12 207 of this Act and apportioned by the apportionment  
13 factor reported by the cooperative on its Illinois  
14 income tax return filed for the taxable year in which  
15 the losses are incurred. The election shall be  
16 effective for all taxable years with original returns  
17 due on or after the date of the election. In addition,  
18 the cooperative may file an amended return or returns,  
19 as allowed under this Act, to provide that the  
20 election shall be effective for losses incurred or  
21 carried forward for taxable years occurring prior to  
22 the date of the election. Once made, the election may  
23 only be revoked upon approval of the Director. The  
24 Department shall adopt rules setting forth  
25 requirements for documenting the elections and any  
26 resulting Illinois net loss and the standards to be

1 used by the Director in evaluating requests to revoke  
2 elections. Public Act 96-932 is declaratory of  
3 existing law;

4 (G) Subchapter S corporations. In the case of: (i)  
5 a Subchapter S corporation for which there is in  
6 effect an election for the taxable year under Section  
7 1362 of the Internal Revenue Code, the taxable income  
8 of such corporation determined in accordance with  
9 Section 1363(b) of the Internal Revenue Code, except  
10 that taxable income shall take into account those  
11 items which are required by Section 1363(b)(1) of the  
12 Internal Revenue Code to be separately stated; and  
13 (ii) a Subchapter S corporation for which there is in  
14 effect a federal election to opt out of the provisions  
15 of the Subchapter S Revision Act of 1982 and have  
16 applied instead the prior federal Subchapter S rules  
17 as in effect on July 1, 1982, the taxable income of  
18 such corporation determined in accordance with the  
19 federal Subchapter S rules as in effect on July 1,  
20 1982; and

21 (H) Partnerships. In the case of a partnership,  
22 taxable income determined in accordance with Section  
23 703 of the Internal Revenue Code, except that taxable  
24 income shall take into account those items which are  
25 required by Section 703(a)(1) to be separately stated  
26 but which would be taken into account by an individual



1           in calculating his taxable income.

2           (3) Recapture of business expenses on disposition of  
3           asset or business. Notwithstanding any other law to the  
4           contrary, if in prior years income from an asset or  
5           business has been classified as business income and in a  
6           later year is demonstrated to be non-business income, then  
7           all expenses, without limitation, deducted in such later  
8           year and in the 2 immediately preceding taxable years  
9           related to that asset or business that generated the  
10          non-business income shall be added back and recaptured as  
11          business income in the year of the disposition of the  
12          asset or business. Such amount shall be apportioned to  
13          Illinois using the greater of the apportionment fraction  
14          computed for the business under Section 304 of this Act  
15          for the taxable year or the average of the apportionment  
16          fractions computed for the business under Section 304 of  
17          this Act for the taxable year and for the 2 immediately  
18          preceding taxable years.

19          (f) Valuation limitation amount.

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

23                       (A) The sum of the pre-August 1, 1969 appreciation  
24                       amounts (to the extent consisting of gain reportable  
25                       under the provisions of Section 1245 or 1250 of the

1 Internal Revenue Code) for all property in respect of  
2 which such gain was reported for the taxable year;  
3 plus

4 (B) The lesser of (i) the sum of the pre-August 1,  
5 1969 appreciation amounts (to the extent consisting of  
6 capital gain) for all property in respect of which  
7 such gain was reported for federal income tax purposes  
8 for the taxable year, or (ii) the net capital gain for  
9 the taxable year, reduced in either case by any amount  
10 of such gain included in the amount determined under  
11 subsection (a) (2) (F) or (c) (2) (H).

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

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

24 (B) If the fair market value of property referred  
25 to in paragraph (1) was not readily ascertainable on  
26 August 1, 1969, the pre-August 1, 1969 appreciation

1 amount for such property is that amount which bears  
2 the same ratio to the total gain reported in respect of  
3 the property for federal income tax purposes for the  
4 taxable year, as the number of full calendar months in  
5 that part of the taxpayer's holding period for the  
6 property ending July 31, 1969 bears to the number of  
7 full calendar months in the taxpayer's entire holding  
8 period for the property.

9 (C) The Department shall prescribe such  
10 regulations as may be necessary to carry out the  
11 purposes of this paragraph.

12 (g) Double deductions. Unless specifically provided  
13 otherwise, nothing in this Section shall permit the same item  
14 to be deducted more than once.

15 (h) Legislative intention. Except as expressly provided by  
16 this Section there shall be no modifications or limitations on  
17 the amounts of income, gain, loss or deduction taken into  
18 account in determining gross income, adjusted gross income or  
19 taxable income for federal income tax purposes for the taxable  
20 year, or in the amount of such items entering into the  
21 computation of base income and net income under this Act for  
22 such taxable year, whether in respect of property values as of  
23 August 1, 1969 or otherwise.

24 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;

1 102-658, eff. 8-27-21; 102-813, eff. 5-13-22; 102-1112, eff.  
2 12-21-22; 103-8, eff. 6-7-23; 103-478, eff. 1-1-24; revised  
3 9-26-23.)

4 ARTICLE 15.

5 Section 15-5. The Property Tax Code is amended by changing  
6 Section 18-173 as follows:

7 (35 ILCS 200/18-173)

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

9 (a) For the purpose of promoting access to housing near  
10 work and in order to promote economic diversity throughout  
11 Illinois and to alleviate the concentration of low-income  
12 households in areas of high poverty, a housing opportunity  
13 area tax abatement program is created.

14 (b) As used in this Section:

15 "Housing authority" means either a housing authority  
16 created under the Housing Authorities Act or other government  
17 agency that is authorized by the United States government  
18 under the United States Housing Act of 1937 to administer a  
19 housing choice voucher program, or the authorized agent of  
20 such a housing authority that is authorized to act upon that  
21 authority's behalf.

22 "Housing choice voucher" means a tenant voucher issued by  
23 a housing authority under Section 8 of the United States

1 Housing Act of 1937 and a tenant voucher converted to a  
2 project-based voucher by a housing authority.

3 "Housing opportunity area" means a census tract where less  
4 than 10% of the residents live below the poverty level, as  
5 defined by the United States government and determined by the  
6 most recent United States census, that is located within a  
7 qualified township, except for census tracts located within  
8 any township that is located wholly within a municipality with  
9 1,000,000 or more inhabitants. A census tract that is located  
10 within a township that is located wholly within a municipality  
11 with 1,000,000 or more inhabitants is considered a housing  
12 opportunity area if less than 12% of the residents of the  
13 census tract live below the poverty level.

14 "Housing opportunity unit" means a dwelling unit located  
15 in residential property that is located in a housing  
16 opportunity area, that is owned by the applicant, and that is  
17 rented to and occupied by a tenant who is participating in a  
18 housing choice voucher program administered by a housing  
19 authority as of January 1st of the tax year for which the  
20 application is made.

21 "Qualified units" means the number of housing opportunity  
22 units located in the property with the limitation that no more  
23 than 2 units or 20% of the total units contained within the  
24 property, whichever is greater, may be considered qualified  
25 units. Further, no unit may be considered qualified unless the  
26 property in which it is contained is in substantial compliance

1 with local building codes, and, moreover, no unit may be  
2 considered qualified unless it meets the United States  
3 Department of Housing and Urban Development's housing quality  
4 standards as of the most recent housing authority inspection.

5 "Qualified township" means a township located within a  
6 county with 200,000 or more inhabitants whose tax capacity  
7 exceeds 80% of the average tax capacity of the county in which  
8 it is located, except for townships located within a county  
9 with 3,000,000 or more inhabitants, where a qualified township  
10 means a township whose tax capacity exceeds 115% of the  
11 average tax capacity of the county except for townships  
12 located wholly within a municipality with 1,000,000 or more  
13 inhabitants. All townships located wholly within a  
14 municipality with 1,000,000 or more inhabitants are considered  
15 qualified townships.

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

19 (c) The owner of property located within a housing  
20 opportunity area who has a housing choice voucher contract  
21 with a housing authority may apply for a housing opportunity  
22 area tax abatement by annually submitting an application to  
23 the housing authority that administers the housing choice  
24 voucher contract. The application must include the number of  
25 housing opportunity units as well as the total number of  
26 dwelling units contained within the property. The owner must,

1 under oath, self-certify as to the total number of dwelling  
2 units in the property and must self-certify that the property  
3 is in substantial compliance with local building codes. The  
4 housing authority shall annually determine the number of  
5 qualified units located within each property for which an  
6 application is made.

7 The housing authority shall establish rules and procedures  
8 governing the application processes and may charge an  
9 application fee. The county clerk may audit the applications  
10 to determine that the properties subject to the tax abatement  
11 meet the requirements of this Section. The determination of  
12 eligibility of a property for the housing opportunity area  
13 abatement shall be made annually; however, no property may  
14 receive an abatement for more than 10 tax years.

15 (d) The housing authority shall determine housing  
16 opportunity areas within its service area and annually deliver  
17 to the county clerk, in a manner determined by the county  
18 clerk, a list of all properties containing qualified units  
19 within that service area by December 31st of the tax year for  
20 which the property is eligible for abatement; the list shall  
21 include the number of qualified units and the total number of  
22 dwelling units for each property.

23 The county clerk shall deliver annually to a housing  
24 authority, upon that housing authority's request, the most  
25 recent available equalized assessed value for the county as a  
26 whole and for those taxing districts and townships so

1 specified by the requesting housing authority.

2 (e) The county clerk shall abate the tax attributed to a  
3 portion of the property determined to be eligible for a  
4 housing opportunity area abatement. The portion eligible for  
5 abatement shall be determined by reducing the equalized  
6 assessment value by a percentage calculated using the  
7 following formula: 19% of the equalized assessed value of the  
8 property multiplied by a fraction where the numerator is the  
9 number of qualified units and denominator is the total number  
10 of dwelling units located within the property.

11 (f) Any municipality, except for municipalities with  
12 1,000,000 or more inhabitants, may annually petition the  
13 county clerk to be excluded from a housing opportunity area if  
14 it is able to demonstrate that more than 2.5% of the total  
15 residential units located within that municipality are  
16 occupied by tenants under the housing choice voucher program.  
17 Properties located within an excluded municipality shall not  
18 be eligible for the housing opportunity area abatement for the  
19 tax year in which the petition is made.

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

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

23 ARTICLE 20.

24 Section 20-5. The Property Tax Code is amended by changing



1 Section 21-355 as follows:

2 (35 ILCS 200/21-355)

3 Sec. 21-355. Amount of redemption. Any person desiring to  
4 redeem shall deposit an amount specified in this Section with  
5 the county clerk of the county in which the property is  
6 situated, in legal money of the United States, or by cashier's  
7 check, certified check, post office money order or money order  
8 issued by a financial institution insured by an agency or  
9 instrumentality of the United States, payable to the county  
10 clerk of the proper county. The deposit shall be deemed timely  
11 only if actually received in person at the county clerk's  
12 office prior to the close of business as defined in Section  
13 3-2007 of the Counties Code on or before the expiration of the  
14 period of redemption or by United States mail with a post  
15 office cancellation mark dated not less than one day prior to  
16 the expiration of the period of redemption. The deposit shall  
17 be in an amount equal to the total of the following:

18 (a) the certificate amount, which shall include all  
19 tax principal, special assessments, interest and penalties  
20 paid by the tax purchaser together with costs and fees of  
21 sale and fees paid under Sections 21-295 and 21-315  
22 through 21-335, except for the nonrefundable \$80 fee paid,  
23 pursuant to Section 21-295, for each item purchased at the  
24 tax sale;

25 (b) the accrued penalty, computed through the date of

1 redemption as a percentage of the certificate amount, as  
2 follows:

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

6 (2) if the redemption occurs after 6 months from  
7 the date of sale, and on or before the expiration of 12  
8 months from the date of sale, the certificate amount  
9 times 2 times the penalty bid at sale;

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

14 (4) if the redemption occurs after 18 months from  
15 the date of sale and on or before the expiration of 24  
16 months from the date of sale, the certificate amount  
17 times 4 times the penalty bid at sale;

18 (5) if the redemption occurs after 24 months from  
19 the date of sale and on or before the expiration of 30  
20 months from the date of sale, the certificate amount  
21 times 5 times the penalty bid at sale;

22 (6) if the redemption occurs after 30 months from  
23 the date of sale and on or before the expiration of 36  
24 months from the date of sale, the certificate amount  
25 times 6 times the penalty bid at sale.

26 In the event that the property to be redeemed has been

1 purchased under Section 21-405 before January 1, 2024, the  
2 penalty bid shall be 12% per penalty period as set forth in  
3 subparagraphs (1) through (6) of this subsection (b). The  
4 changes to this subdivision (b)(6) made by this amendatory  
5 Act of the 91st General Assembly are not a new enactment,  
6 but declaratory of existing law.

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

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

22 (c) The total of all taxes, special assessments,  
23 accrued interest on those taxes and special assessments  
24 and costs charged in connection with the payment of those  
25 taxes or special assessments, except for the nonrefundable  
26 \$80 fee paid, pursuant to Section 21-295, for each item

1 purchased at the tax sale, which have been paid by the tax  
2 certificate holder on or after the date those taxes or  
3 special assessments became delinquent together with 12%  
4 penalty on each amount so paid for each year or portion  
5 thereof intervening between the date of that payment and  
6 the date of redemption. In counties with less than  
7 3,000,000 inhabitants, however, a tax certificate holder  
8 may not pay all or part of an installment of a subsequent  
9 tax or special assessment for any year, nor shall any  
10 tender of such a payment be accepted, until after the  
11 second or final installment of the subsequent tax or  
12 special assessment has become delinquent or until after  
13 the holder of the certificate of purchase has filed a  
14 petition for a tax deed under Section 22.30. The person  
15 redeeming shall also pay the amount of interest charged on  
16 the subsequent tax or special assessment and paid as a  
17 penalty by the tax certificate holder. This amendatory Act  
18 of 1995 applies to tax years beginning with the 1995  
19 taxes, payable in 1996, and thereafter.

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

25 (e) Any amount paid by the certificate holder for  
26 redemption of a subsequently occurring tax sale, including

1 tax liens or certificates held by the county as trustee,  
2 pursuant to Section 21-90.

3 (f) All fees paid to the county clerk under Section  
4 22-5.

5 (g) All fees paid to the registrar of titles incident  
6 to registering the tax certificate in compliance with the  
7 Registered Titles (Torrens) Act.

8 (h) All fees paid to the circuit clerk and the  
9 sheriff, a licensed or registered private detective, or  
10 the coroner in connection with the filing of the petition  
11 for tax deed and service of notices under Sections 22-15  
12 through 22-30 and 22-40 in addition to (1) a fee of \$35 if  
13 a petition for tax deed has been filed, which fee shall be  
14 posted to the tax judgement, sale, redemption, and  
15 forfeiture record, to be paid to the purchaser or his or  
16 her assignee; (2) a fee of \$4 if a notice under Section  
17 22-5 has been filed, which fee shall be posted to the tax  
18 judgment, sale, redemption, and forfeiture record, to be  
19 paid to the purchaser or his or her assignee; (3) all costs  
20 paid to record a lis pendens notice in connection with  
21 filing a petition under this Code; and (4) if a petition  
22 for tax deed has been filed, all fees up to \$150 per  
23 redemption paid to a registered or licensed title  
24 insurance company or title insurance agent for a title  
25 search to identify all owners, parties interested, and  
26 occupants of the property, to be paid to the purchaser or

1 his or her assignee. The fees in (1) and (2) of this  
2 paragraph (h) shall be exempt from the posting  
3 requirements of Section 21-360. The costs incurred in  
4 causing notices to be served by a licensed or registered  
5 private detective under Section 22-15, may not exceed the  
6 amount that the sheriff would be authorized by law to  
7 charge if those notices had been served by the sheriff.

8 (i) All fees paid for publication of notice of the tax  
9 sale in accordance with Section 22-20.

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

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

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

22 ARTICLE 25.

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

1 (35 ILCS 200/20-15)

2 Sec. 20-15. Information on bill or separate statement.

3 There shall be printed on each bill, or on a separate slip  
4 which shall be mailed with the bill:

5 (a) a statement itemizing the rate at which taxes have  
6 been extended for each of the taxing districts in the  
7 county in whose district the property is located, and in  
8 those counties utilizing electronic data processing  
9 equipment the dollar amount of tax due from the person  
10 assessed allocable to each of those taxing districts,  
11 including a separate statement of the dollar amount of tax  
12 due which is allocable to a tax levied under the Illinois  
13 Local Library Act or to any other tax levied by a  
14 municipality or township for public library purposes,

15 (b) a separate statement for each of the taxing  
16 districts of the dollar amount of tax due which is  
17 allocable to a tax levied under the Illinois Pension Code  
18 or to any other tax levied by a municipality or township  
19 for public pension or retirement purposes,

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

23 (c) the total tax rate,

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

25 (e) the amount by which the total tax and the tax

1 allocable to each taxing district differs from the  
2 taxpayer's last prior tax bill.

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

6 In all counties the statement shall also provide:

7 (1) the property index number or other suitable  
8 description,

9 (2) the assessment of the property,

10 (3) the statutory amount of each homestead exemption  
11 applied to the property,

12 (4) the assessed value of the property after  
13 application of all homestead exemptions,

14 (5) the equalization factors imposed by the county and  
15 by the Department, and

16 (6) the equalized assessment resulting from the  
17 application of the equalization factors to the basic  
18 assessment.

19 In all counties which do not classify property for  
20 purposes of taxation, for property on which a single family  
21 residence is situated the statement shall also include a  
22 statement to reflect the fair cash value determined for the  
23 property. In all counties which classify property for purposes  
24 of taxation in accordance with Section 4 of Article IX of the  
25 Illinois Constitution, for parcels of residential property in  
26 the lowest assessment classification the statement shall also



1 include a statement to reflect the fair cash value determined  
2 for the property.

3 In all counties, the statement must include information  
4 that certain taxpayers may be eligible for tax exemptions,  
5 abatements, and other assistance programs and that, for more  
6 information, taxpayers should consult with the office of their  
7 township or county assessor and with the ~~Illinois~~ Department  
8 of Revenue. For bills mailed on or after January 1, 2026, the  
9 statement must include, in bold face type, a list of  
10 exemptions available to taxpayers and contact information for  
11 the chief county assessment officer.

12 In counties which use the estimated or accelerated billing  
13 methods, these statements shall only be provided with the  
14 final installment of taxes due. The provisions of this Section  
15 create a mandatory statutory duty. They are not merely  
16 directory or discretionary. The failure or neglect of the  
17 collector to mail the bill, or the failure of the taxpayer to  
18 receive the bill, shall not affect the validity of any tax, or  
19 the liability for the payment of any tax.

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

21 ARTICLE 30.

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

1 (35 ILCS 200/30-25)

2 Sec. 30-25. Distributions from account.

3 (a) At the direction of the corporate authorities of a  
4 taxing district, the treasurer of the taxing district shall  
5 disburse the amounts held in the tax reimbursement account.  
6 Unless the taxing district has divided the moneys as provided  
7 in subsection (b), disbursements shall be made to all of the  
8 owners of taxable homestead property within the taxing  
9 district. Each owner of taxable homestead property shall  
10 receive a proportionate share of the total disbursement based  
11 on the amount of ad valorem taxes on taxable homestead  
12 property paid by the owner to the taxing district under the  
13 most recent tax bill.

14 (b) The corporate authorities of a taxing district may  
15 direct the treasurer to divide the moneys deposited into the  
16 account into 2 separate pools to be designated the homestead  
17 property pool and the commercial or industrial property pool.  
18 The amount to be deposited into each pool shall be determined  
19 by the corporate authorities of the taxing district, except  
20 that at least 50% of the moneys in the account shall be  
21 deposited into the homestead property pool. The treasurer  
22 shall disburse the amounts held in each pool in the tax  
23 reimbursement account at the direction of the corporate  
24 authorities. Disbursements from the homestead property pool  
25 shall be made to all of the owners of taxable homestead  
26 property within the taxing district. Each owner of taxable

1 homestead property shall receive a proportionate share of the  
2 total disbursement from the pool based on the amount of ad  
3 valorem taxes on taxable homestead property paid by the owner  
4 to the taxing district under the most recent tax bill.  
5 Disbursements from the commercial or industrial property pool  
6 shall be made to all of the owners of taxable commercial or  
7 industrial property, except (i) those owners whose property is  
8 located within a tax increment financing district, (ii) those  
9 owners who received a tax incentive as a result of a tax  
10 incentivized development established by an intergovernmental  
11 agreement to which the taxing district is a party, or (iii)  
12 those owners whose property is classified as an apartment  
13 building. Each eligible owner of taxable commercial or  
14 industrial property shall receive a proportionate share of the  
15 total disbursement from the pool based on the amount of ad  
16 valorem taxes on taxable commercial or industrial property  
17 paid by the owner to the taxing district under the most recent  
18 tax bill.

19 (c) In determining the proportionate share of each owner  
20 of homestead property, the numerator shall be the amount of  
21 taxes on homestead property paid by that owner to the taxing  
22 district under the most recent tax bill, and the denominator  
23 shall be the aggregate total of all taxes on homestead  
24 property paid by all owners to the taxing district under the  
25 most recent tax bills.

26 (d) In determining the proportionate share of each owner

1 of commercial or industrial property, the numerator shall be  
2 the amount of taxes on commercial or industrial property paid  
3 by that owner to the taxing district under the most recent tax  
4 bill, and the denominator shall be the aggregate total of all  
5 taxes on commercial or industrial property paid by all owners  
6 to the taxing district under the most recent tax bills less  
7 taxes paid on commercial or industrial property located in a  
8 tax increment financing district, taxes paid on commercial or  
9 industrial property for which the owner received a tax  
10 incentive as a result of a tax incentivized development  
11 established by an intergovernmental agreement to which the  
12 taxing district is a party, and taxes paid on an apartment  
13 building.

14 (e) As used in this Section:

15 "Qualified redevelopment costs" means costs advanced by a  
16 taxing district to a commercial or industrial property owner  
17 to promote economic development when, but for the advancement  
18 of the funds, the development would not be financially  
19 feasible.

20 "Tax incentivized development" means an economic  
21 development project established by intergovernmental agreement  
22 whereby a taxing district advances qualified redevelopment  
23 costs to a commercial or industrial property owner.

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

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

4           (35 ILCS 200/18-15)

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

6           (a) Notwithstanding any other law to the contrary, all  
7 taxing districts, other than a school district subject to the  
8 authority of a Financial Oversight Panel pursuant to Article  
9 1H of the School Code, and except as provided in Section 18-17,  
10 shall annually certify to the county clerk, on or before the  
11 last Tuesday in December, the several amounts that they have  
12 levied.

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

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

23           (c) If a school district as specified in subsection (b) of  
24 this Section fails to certify and return the certificate of

1 tax levy, necessary to effect the implementation of the  
2 approved financial plan and the approval of the Financial  
3 Oversight Panel, to the county clerk on or before the first  
4 Tuesday in November, then the Financial Oversight Panel for  
5 the school district shall proceed to adopt, certify, and  
6 return a certificate of tax levy for the school district to the  
7 county clerk on or before the last Tuesday in December.

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

9 (35 ILCS 200/18-17 new)

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

1 (35 ILCS 200/18-190)

2 Sec. 18-190. Direct referendum; new rate or increased  
3 limiting rate.

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

20 Notwithstanding the provisions, requirements, or limitations  
21 of any other law, any tax levied for the 2005 levy year and all  
22 subsequent levy years by any taxing district subject to this  
23 Law may be extended at a rate exceeding the rate established  
24 for that tax by referendum or statute, provided that the rate  
25 does not exceed the statutory ceiling above which the tax is

1 not authorized to be further increased either by referendum or  
2 in any other manner. Notwithstanding the provisions,  
3 requirements, or limitations of any other law, all taxing  
4 districts subject to this Law shall follow the provisions of  
5 this Section whenever seeking referenda approval after March  
6 21, 2006 to (i) levy a new tax rate authorized by statute or  
7 (ii) increase the limiting rate applicable to the taxing  
8 district. All taxing districts subject to this Law are  
9 authorized to seek referendum approval of each proposition  
10 described and set forth in this Section.

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

14 Shall ... (insert legal name, number, if any, and  
15 county or counties of taxing district and geographic or  
16 other common name by which a school or community college  
17 district is known and referred to), Illinois, be  
18 authorized to levy a new tax for ... purposes and have an  
19 additional tax of ...% of the equalized assessed value of  
20 the taxable property therein extended for such purposes?

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

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

25 Shall the limiting rate under the Property Tax  
26 Extension Limitation Law for ... (insert legal name,



1 number, if any, and county or counties of taxing district  
2 and geographic or other common name by which a school or  
3 community college district is known and referred to),  
4 Illinois, be increased by an additional amount equal to  
5 ...% above the limiting rate for the purpose of...(insert  
6 purpose) for levy year ... (insert the most recent levy  
7 year for which the limiting rate of the taxing district is  
8 known at the time the submission of the proposition is  
9 initiated by the taxing district) and be equal to ...% of  
10 the equalized assessed value of the taxable property  
11 therein for levy year(s) (insert each levy year for which  
12 the increase will be applicable, which years must be  
13 consecutive and may not exceed 4)?

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

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

20 (1) The approximate amount of taxes extendable at the  
21 most recently extended limiting rate is \$..., and the  
22 approximate amount of taxes extendable if the proposition  
23 is approved is \$....

24 (2) For the ... (insert the first levy year for which  
25 the new rate or increased limiting rate will be  
26 applicable) levy year the approximate amount of the

1 additional tax extendable against property containing a  
2 single family residence and having a fair market value at  
3 the time of the referendum of \$100,000 is estimated to be  
4 \$....

5 (3) Based upon an average annual percentage increase  
6 (or decrease) in the market value of such property of %...  
7 (insert percentage equal to the average annual percentage  
8 increase or decrease for the prior 3 levy years, at the  
9 time the submission of the proposition is initiated by the  
10 taxing district, in the amount of (A) the equalized  
11 assessed value of the taxable property in the taxing  
12 district less (B) the new property included in the  
13 equalized assessed value), the approximate amount of the  
14 additional tax extendable against such property for the  
15 ... levy year is estimated to be \$... and for the ... levy  
16 year is estimated to be \$ ....

17 (4) If the proposition is approved, the aggregate  
18 extension for ... (insert each levy year for which the  
19 increase will apply) will be determined by the limiting  
20 rate set forth in the proposition, rather than the  
21 otherwise applicable limiting rate calculated under the  
22 provisions of the Property Tax Extension Limitation Law  
23 (commonly known as the Property Tax Cap Law).

24 The approximate amount of taxes extendable shown in paragraph  
25 (1) shall be computed upon the last known equalized assessed  
26 value of taxable property in the taxing district (at the time

1 the submission of the proposition is initiated by the taxing  
2 district). Paragraph (3) shall be included only if the  
3 increased limiting rate will be applicable for more than one  
4 levy year and shall list each levy year for which the increased  
5 limiting rate will be applicable. The additional tax shown for  
6 each levy year shall be the approximate dollar amount of the  
7 increase over the amount of the most recently completed  
8 extension at the time the submission of the proposition is  
9 initiated by the taxing district. The approximate amount of  
10 the additional taxes extendable shown in paragraphs (2) and  
11 (3) shall be calculated by multiplying \$100,000 (the fair  
12 market value of the property without regard to any property  
13 tax exemptions) by (i) the percentage level of assessment  
14 prescribed for that property by statute, or by ordinance of  
15 the county board in counties that classify property for  
16 purposes of taxation in accordance with Section 4 of Article  
17 IX of the Illinois Constitution; (ii) the most recent final  
18 equalization factor certified to the county clerk by the  
19 Department of Revenue at the time the taxing district  
20 initiates the submission of the proposition to the electors;  
21 and (iii) either the new rate or the amount by which the  
22 limiting rate is to be increased. This amendatory Act of the  
23 97th General Assembly is intended to clarify the existing  
24 requirements of this Section, and shall not be construed to  
25 validate any prior non-compliant referendum language.  
26 Paragraph (4) shall be included if the proposition concerns a

1 limiting rate increase but shall not be included if the  
2 proposition concerns a new rate. Any notice required to be  
3 published in connection with the submission of the proposition  
4 shall also contain this supplemental information and shall not  
5 contain any other supplemental information regarding the  
6 proposition. Any error, miscalculation, or inaccuracy in  
7 computing any amount set forth on the ballot and in the notice  
8 that is not deliberate shall not invalidate or affect the  
9 validity of any proposition approved. Notice of the referendum  
10 shall be published and posted as otherwise required by law,  
11 and the submission of the proposition shall be initiated as  
12 provided by law.

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

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

18 (B) if the proposition provides for a new tax rate,  
19 the taxing district is authorized to levy a tax after the  
20 canvass of the results of the referendum by the election  
21 authority for the purposes for which the tax is  
22 authorized;

23 (C) a limiting rate increase shall be first effective  
24 for the levy year in which the limiting rate increase is  
25 approved, provided that the taxing district may elect to  
26 have a limiting rate increase be effective for the levy

1 year prior to the levy year in which the limiting rate  
2 increase is approved unless the extension of taxes for the  
3 prior levy year occurs 30 days or less after the canvass of  
4 the results of the referendum by the election authority in  
5 any county in which the taxing district is located;

6 (D) in order for the limiting rate increase to be  
7 first effective for the levy year prior to the levy year of  
8 the referendum, the taxing district must certify its  
9 election to have the limiting rate increase be effective  
10 for the prior levy year to the clerk of each county in  
11 which the taxing district is located not more than 2 days  
12 after the date the results of the referendum are canvassed  
13 by the election authority; and

14 (E) if the proposition provides for a limiting rate  
15 increase, the increase may be effective regardless of  
16 whether the proposition is approved before or after the  
17 taxing district adopts or files its levy for any levy  
18 year.

19 Rates required to extend taxes on levies subject to a  
20 backdoor referendum in each year there is a levy are not new  
21 rates or rate increases under this Section if a levy has been  
22 made for the fund in one or more of the preceding 3 levy years.  
23 Changes made by this amendatory Act of 1997 to this Section in  
24 reference to rates required to extend taxes on levies subject  
25 to a backdoor referendum in each year there is a levy are  
26 declarative of existing law and not a new enactment.

1           (b) Whenever other applicable law authorizes a taxing  
2 district subject to the limitation with respect to its  
3 aggregate extension provided for in this Law to issue bonds or  
4 other obligations either without referendum or subject to  
5 backdoor referendum, the taxing district may elect for each  
6 separate bond issuance to submit the question of the issuance  
7 of the bonds or obligations directly to the voters of the  
8 taxing district, and if the referendum passes the taxing  
9 district is not required to comply with any backdoor  
10 referendum procedures or requirements set forth in the other  
11 applicable law. The direct referendum shall be initiated by  
12 ordinance or resolution of the governing body of the taxing  
13 district, and the question shall be certified to the proper  
14 election authorities in accordance with the provisions of the  
15 Election Code.

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

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

19           (105 ILCS 5/17-3.2) (from Ch. 122, par. 17-3.2)

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

21           (a) Whenever the voters of a school district have voted in  
22 favor of an increase in the annual tax rate for educational or  
23 operations and maintenance purposes or both at an election  
24 held after the adoption of the annual school budget for any

1 fiscal year, the board may adopt or pass during that fiscal  
2 year an additional or supplemental budget under the sole  
3 authority of this Section by a vote of a majority of the full  
4 membership of the board, any other provision of this Article  
5 to the contrary notwithstanding, in and by which such  
6 additional or supplemental budget the board shall appropriate  
7 such additional sums of money as it may find necessary to  
8 defray expenses and liabilities of that district to be  
9 incurred for educational or operations and maintenance  
10 purposes or both of the district during that fiscal year, but  
11 not in excess of the additional funds estimated to be  
12 available by virtue of such voted increase in the annual tax  
13 rate for educational or operations and maintenance purposes or  
14 both. Such additional or supplemental budget shall be regarded  
15 as an amendment of the annual school budget for the fiscal year  
16 in which it is adopted, and the board may levy the additional  
17 tax for educational or operations and maintenance purposes or  
18 both to equal the amount of the additional sums of money  
19 appropriated in that additional or supplemental budget,  
20 immediately.

21 (b) Notwithstanding any other provision of law, LaMoille  
22 Community Unit School District #303 may adopt an additional or  
23 supplemental budget in connection with an amended or  
24 supplemental levy adopted under Section 18-17 of the Property  
25 Tax Code without receiving the approval of the voters as  
26 provided in subsection (a). This subsection (b) is inoperative

1 on and after January 1, 2025.

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

3 ARTICLE 40.

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

7 Section 40-5. Definitions.

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

10 "Comparable rate" has the meaning given to that term by  
11 the Federal Communications Commission in its campaign  
12 advertising rate rules.

13 "Department" means the Department of Commerce and Economic  
14 Opportunity.

15 "Independently owned" means, as applied to a local news  
16 organization, that:

17 (1) the local news organization is not a publicly  
18 traded entity and no more than 5% of the beneficial  
19 ownership of the local news organization is owned,  
20 directly or indirectly, by a publicly traded entity; and

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

22 "Local news organization" means an entity that:

23 (1) engages professionals to create, edit, produce,



1 and distribute original content concerning matters of  
2 public interest through reporting activities, including  
3 conducting interviews, observing current events, or  
4 analyzing documents or other information;

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

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

9 (B) the employee's job duties for the entity  
10 consist primarily of providing coverage of Illinois or  
11 local Illinois community news as described in  
12 paragraph (C);

13 (C) the employee gathers, prepares, collects,  
14 photographs, writes, edits, reports, or publishes  
15 original local or State community news for  
16 dissemination to the local or State community; and

17 (D) the employee lives within 50 miles of the  
18 coverage area;

19 (3) in the case of a print publication, has published  
20 at least one print publication per month over the previous  
21 12 months and either (i) holds a valid United States  
22 Postal Service periodical permit or (ii) has at least 25%  
23 of its content dedicated to local news;

24 (4) in the case of a digital-only entity, has  
25 published one piece about the community per week over the  
26 previous 12 months and has at least 33% of its digital

1 audience in Illinois, averaged over a 12-month period;

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

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

8 (7) in the case of an entity that maintains tax status  
9 under Section 501(c)(3) of the federal Internal Revenue  
10 Code, has declared the coverage of local or State news as  
11 the stated mission in its filings with the Internal  
12 Revenue Service;

13 (8) has not received any payments of more than 50% of  
14 its gross receipts for the previous year from political  
15 action committees or other entities described in Section  
16 527 of the federal Internal Revenue Code or from an  
17 organization that maintains Section 501(c)(4) or 501(c)(6)  
18 status under the federal Internal Revenue Code, unless  
19 those payments are for political advertising during the  
20 lowest unit windows and using comparable rates; and

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

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

1 taxable year.

2 "Lowest unit window" has the meaning given to that term by  
3 the Federal Communications Commission in its campaign  
4 advertising rate rules.

5 "New journalism position" means an employment position  
6 that results in a net increase in qualified journalists  
7 employed by the local news organization from January 1 of the  
8 preceding calendar year compared to January 1 of the calendar  
9 year in which a credit under this Act is sought.

10 "Private fund" means a corporation that:

11 (1) would be considered an investment company under  
12 Section 3 of the Investment Company Act of 1940, 15 U.S.C.  
13 80a-3, but for the application of paragraph (1) or (7) of  
14 subsection (c) of that Section;

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

19 (3) is not an institution selected under Section 107  
20 of the federal Community Development Banking and Financial  
21 Institutions Act of 1994.

22 "Qualified journalist" means a person who:

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

25 (2) is responsible for gathering, developing,  
26 preparing, directing the recording of, producing,

1 collecting, photographing, recording, writing, editing,  
2 reporting, designing, presenting, distributing, or  
3 publishing original news or information that concerns  
4 local matters of public interest.

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

8 Section 40-10. Credit award. For reporting periods that  
9 begin on or after January 1, 2025 and before January 1, 2030,  
10 employers, including employers that maintain tax status under  
11 Section 501(c)(3) of the federal Internal Revenue Code, that  
12 are local news organizations and that are required to deduct  
13 and withhold taxes as provided in Article 7 of the Illinois  
14 Income Tax Act are eligible to receive a credit against  
15 payments due under Section 704A of the Illinois Income Tax  
16 Act. The credit shall be \$15,000 per qualified journalist  
17 employed and paid by the employer during the 12-month period  
18 immediately preceding the date on which the employer applies  
19 for a credit under this Section. An additional credit of  
20 \$10,000 shall be awarded against payments due under Section  
21 704A of the Illinois Income Tax Act for each qualified  
22 journalist who fills a new journalism position for the  
23 employer during the 12-month period immediately preceding the  
24 date on which the employer applies for a credit under this  
25 Section. No more than \$150,000 in credits under this Act may be

1 awarded to any one local news organization in a single  
2 calendar year. If the local news organization is not  
3 independently owned or lists a private fund among its  
4 beneficial ownership, no more than \$250,000 in credits may be  
5 awarded in a single calendar year to all local news  
6 organizations that share the same ownership interest. The  
7 total amount of credits that may be awarded under this Act in  
8 any given calendar year may not exceed \$5,000,000, of which no  
9 more than \$4,000,000 may be awarded for the \$15,000 credit  
10 that applies to qualified journalists, and no more than  
11 \$1,000,000 may be awarded for the additional \$10,000 credit  
12 that is awarded for new journalism positions. Credits under  
13 this Section shall be awarded by the Department on a  
14 first-come, first-served basis.

15 The Department shall issue a credit certificate to each  
16 eligible local news organization. Upon issuance of the credit  
17 certificate, the Department shall inform the Department of  
18 Revenue, in the form and manner as agreed between the  
19 agencies, of the date the credit certificate was issued, the  
20 name and tax identification number of the recipient, the  
21 amount of the credit, and such other information as the  
22 Department of Revenue may require. The credit certificate  
23 shall be attached to the taxpayer's return.

24 The credit shall be applied to the first reporting period  
25 after the credit certificate is issued and that begins on or  
26 after January 1, 2025. If the amount of credit exceeds the

1 liability for the reporting period, the excess credit shall be  
2 refunded to the taxpayer.

3 Section 40-15. Application for local journalism  
4 certificate.

5 (a) In order to qualify for a tax credit award under this  
6 Act, an applicant must apply with the Department, in the form  
7 and manner required by the Department, for each award cycle  
8 for which a credit under this Act is sought, providing  
9 information necessary to calculate the tax credit award and  
10 any additional information as reasonably required by the  
11 Department. A separate application shall be filed for each  
12 local news organization. The tax credit award shall be  
13 calculated based upon the filing by the applicant on forms  
14 prescribed by the Department. The Department shall cooperate  
15 with the Department of Revenue as needed in order to determine  
16 credit amount and eligibility.

17 (b) Upon satisfactory review of the application, the  
18 Department shall issue a local journalism certificate stating  
19 the amount of the tax credit award to which the applicant is  
20 entitled for the credit period and shall contemporaneously  
21 notify the applicant and Department of Revenue upon issuance  
22 of the certificate.

23 Section 40-20. Powers of the Department. The Department  
24 and the Department of Revenue may, in consultation, adopt any

1 rules necessary to administer the provisions of this Act.

2 Section 40-25. Program terms and conditions. Any  
3 documentary materials or data made available or received from  
4 an applicant by any agent or employee of the Department are  
5 confidential and are not public records to the extent that the  
6 materials or data consist of commercial or financial  
7 information regarding the operation of, or the production of,  
8 the applicant or recipient of any tax credit award under this  
9 Act.

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

12 (35 ILCS 5/704A)

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

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

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

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

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

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

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

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

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

25 (3) Monthly payments. Each employer, other than an  
26 employer described in items (1) or (2) of this subsection,



1 shall pay to the Department, on or before the 15th day of  
2 each month the taxes withheld or required to be withheld  
3 during the immediately preceding month.

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

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

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

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

26 (3) Designate one or more depositories to which

1 payment of taxes required to be withheld under this  
2 Article 7 must be paid by some or all employers.

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

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

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

26 With respect to taxes withheld in 2017 and subsequent

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

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

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

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

24 (g-1) For amounts deducted or withheld after December 31,  
25 2024, a taxpayer who makes an election under the Reimagining  
26 Energy and Vehicles in Illinois Act shall be allowed a credit

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

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

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

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

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

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

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



1 respect to such taxes and retained amounts in the form and  
2 manner that the Department, by rule, requires and pay to the  
3 Department or to a depository designated by the Department  
4 those withheld taxes not retained by the employer.

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

17 For purposes of this subsection (i):

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

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

1 the credit.

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

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

18 (1) 25% for reporting periods beginning on or after  
19 January 1, 2020 and ending on or before December 31, 2020;

20 (2) 21% for reporting periods beginning on or after  
21 January 1, 2021 and ending on or before December 31, 2021;

22 (3) 17% for reporting periods beginning on or after  
23 January 1, 2022 and ending on or before December 31, 2022;

24 (4) 13% for reporting periods beginning on or after  
25 January 1, 2023 and ending on or before December 31, 2023;

26 (5) 9% for reporting periods beginning on or after

1 January 1, 2024 and ending on or before December 31, 2024;

2 (6) 5% for reporting periods beginning on or after  
3 January 1, 2025 and ending on or before December 31, 2025.

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

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

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

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

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

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

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

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

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

22 As used in this subsection (j):

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

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

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

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

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

14 (Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21;  
15 102-700, Article 30, Section 30-5, eff. 4-19-22; 102-700,  
16 Article 110, Section 110-905, eff. 4-19-22; 102-1125, eff.  
17 2-3-23.)

18 ARTICLE 45.

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

22 (35 ILCS 17/10-10)

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

1 "Accredited theater production" means a for-profit live  
2 stage presentation in a qualified production facility, as  
3 defined in this Section, that is either (i) a pre-Broadway  
4 production or (ii) a long-run production for which the  
5 aggregate Illinois labor and marketing expenditures exceed  
6 \$100,000. For credits awarded under this Act on or after July  
7 1, 2022 ~~in State Fiscal Year 2023~~, "accredited theater  
8 production" also includes any commercial Broadway touring  
9 show. For credits awarded under this Act on or after July 1,  
10 2024, "accredited theater production" also includes non-profit  
11 theater productions.

12 "Commercial Broadway touring show" means a production that  
13 (i) is performed in a qualified production facility and plays  
14 in more than 2 other markets in North America outside of  
15 Illinois within 12 months of 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 "Pre-Broadway production" means a live stage production  
20 that, (i) in its original or adaptive version, is performed in  
21 a qualified production facility with the goal of having a  
22 presentation scheduled for Broadway's Theater District in New  
23 York City ~~within 12 months~~ after its Illinois presentation and  
24 (ii) has Illinois production spending of not less than  
25 \$100,000, as shown on the applicant's application for the  
26 credit.

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

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

17 "Accredited theater production certificate" means a  
18 certificate issued by the Department certifying that the  
19 production is an accredited theater production that meets the  
20 guidelines of this Act.

21 "Applicant" means ~~a taxpayer that is~~ a theater producer,  
22 owner, licensee, operator, or presenter that is presenting or  
23 has presented a live stage presentation located within the  
24 State of Illinois who:

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



1           (2) has contracted or will contract directly with the  
2           owner or licensee of the theatrical rights or a person  
3           acting on behalf of the owner or licensee to provide live  
4           performances of the production.

5           An applicant that directly or indirectly owns, controls,  
6           or operates multiple qualified production facilities shall be  
7           presumed to be and considered for the purposes of this Act to  
8           be a single applicant; provided, however, that as to each of  
9           the applicant's qualified production facilities, the applicant  
10          shall be eligible to separately and contemporaneously (i)  
11          apply for and obtain accredited theater production  
12          certificates, (ii) stage accredited theater productions, and  
13          (iii) apply for and receive a tax credit award certificate for  
14          each of the applicant's accredited theater productions  
15          performed at each of the applicant's qualified production  
16          facilities.

17          "Department" means the Department of Commerce and Economic  
18          Opportunity.

19          "Director" means the Director of the Department.

20          "Illinois labor expenditure" means gross salary or wages  
21          including, but not limited to, taxes, benefits, and any other  
22          consideration incurred or paid to non-talent employees of the  
23          applicant for services rendered to and on behalf of the  
24          accredited theater production. To qualify as an Illinois labor  
25          expenditure, the expenditure must be:

26               (1) incurred or paid by the applicant on or after the

1 effective date of the Act for services related to any  
2 portion of an accredited theater production from its  
3 pre-production stages, including, but not limited to, the  
4 writing of the script, casting, hiring of service  
5 providers, purchases from vendors, marketing, advertising,  
6 public relations, load in, rehearsals, performances, other  
7 accredited theater production related activities, and load  
8 out;

9 (2) directly attributable to the accredited theater  
10 production;

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

14 (4) included in the federal income tax basis of the  
15 property;

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

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

21 (7) reasonable in the circumstances.

22 "Illinois production spending" means any and all expenses  
23 directly or indirectly incurred relating to an accredited  
24 theater production presented in any qualified production  
25 facility of the applicant, including, but not limited to,  
26 expenditures for:

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

4           (2) the construction and fabrication of scenic  
5           materials and elements; provided, however, that the  
6           maximum amount of expenditures attributable to the  
7           construction and fabrication of scenic materials and  
8           elements eligible for a tax credit award shall not exceed  
9           \$500,000 per applicant per production in any single tax  
10          year.

11          "Qualified production facility" means a facility located  
12          in the State in which live theatrical productions are, or are  
13          intended to be, exclusively presented that contains at least  
14          one stage, a seating capacity of 1,200 or more seats or, if the  
15          live theater production is a non-profit theater production, a  
16          seating capacity of 50 or more seats, and dressing rooms,  
17          storage areas, and other ancillary amenities necessary for the  
18          accredited theater production.

19          "Tax credit award" means the issuance to a taxpayer by the  
20          Department of a tax credit award in conformance with Sections  
21          10-40 and 10-45 of this Act.

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

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

1           Sec. 10-20. Tax credit award. Subject to the conditions  
2 set forth in this Act, an applicant is entitled to a tax credit  
3 award as approved by the Department for qualifying Illinois  
4 labor expenditures and Illinois production spending for each  
5 tax year in which the applicant is awarded an accredited  
6 theater production certificate issued by the Department. The  
7 amount of tax credits awarded pursuant to this Act shall not  
8 exceed \$2,000,000 in any State fiscal year ending on or before  
9 June 30, 2022. ~~The, except that the~~ amount of tax credits  
10 awarded pursuant to this Act for the State fiscal year ending  
11 on June 30, 2023 or the State fiscal year ending on June 30,  
12 2024 shall not exceed \$4,000,000. For the State fiscal year  
13 ending on June 30, 2023 and the State fiscal year ending on  
14 June 30, 2024, no more than \$2,000,000 in credits may be  
15 awarded in either of those fiscal years to accredited theater  
16 productions that are not commercial Broadway touring shows,  
17 and no more than \$2,000,000 in credits may be awarded in either  
18 of those fiscal years to commercial Broadway touring shows.  
19 For State fiscal years ending on or after June 30, 2025, the  
20 amount of tax credits awarded under this Act shall not exceed  
21 \$6,000,000, with no more than \$2,000,000 in credits awarded  
22 for long-run productions and pre-Broadway productions, no more  
23 than \$2,000,000 in credits awarded for commercial Broadway  
24 touring shows, and no more than \$2,000,000 in credits awarded  
25 for non-profit theater productions. In the case of credits  
26 awarded under this Act for non-profit theater productions, no

1 more than \$100,000 in credits may be awarded to any single  
2 non-profit theater production. Credits shall be awarded on a  
3 first-come, first-served basis. Notwithstanding the foregoing,  
4 if the amount of credits applied for in any fiscal year exceeds  
5 the amount authorized to be awarded under this Section, the  
6 excess credit amount shall be awarded in the next fiscal year  
7 in which credits remain available for award and shall be  
8 treated as having been applied for on the first day of that  
9 fiscal year.

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

11 (35 ILCS 17/10-40)

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

13 (a) In order to qualify for a tax credit award under this  
14 Act, an applicant must file an application for each accredited  
15 theater production at each of the applicant's qualified  
16 production facilities, on forms prescribed by the Department,  
17 providing information necessary to calculate the tax credit  
18 award and any additional information as reasonably required by  
19 the Department.

20 (b) Upon satisfactory review of the application, the  
21 Department shall issue a tax credit award certificate stating  
22 the amount of the tax credit award to which the applicant is  
23 entitled for that tax year and shall contemporaneously notify  
24 the applicant and Illinois Department of Revenue in accordance  
25 with Section 222 of the Illinois Income Tax Act or, if the

1 applicant is a nonprofit theater production, subsection (k) of  
2 Section 704A of the Illinois Income Tax Act, as applicable.

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

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

6 (35 ILCS 5/222)

7 Sec. 222. Live theater production credit.

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

17 (b) For taxable years ending before December 31, 2023, if  
18 the taxpayer is a partnership, limited liability partnership,  
19 limited liability company, or Subchapter S corporation, the  
20 tax credit award is allowed to the partners, unit holders, or  
21 shareholders in accordance with the determination of income  
22 and distributive share of income under Sections 702 and 704  
23 and Subchapter S of the Internal Revenue Code. For taxable  
24 years ending on or after December 31, 2023, if the taxpayer is

1 a partnership or Subchapter S corporation, then the provisions  
2 of Section 251 apply.

3 (c) A sale, assignment, or transfer of the tax credit  
4 award may be made by the taxpayer earning the credit within one  
5 year after the credit is awarded in accordance with rules  
6 adopted by the Department of Commerce and Economic  
7 Opportunity.

8 (d) The Department of Revenue, in cooperation with the  
9 Department of Commerce and Economic Opportunity, shall adopt  
10 rules to enforce and administer the provisions of this  
11 Section.

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

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

23 (35 ILCS 5/704A)

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

25 (a) In general, every employer who deducts and withholds

1 or is required to deduct and withhold tax under this Act on or  
2 after January 1, 2008 shall make those payments and returns as  
3 provided in this Section.

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

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

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

17 (A) on or before each Friday of the calendar year,  
18 for taxes withheld or required to be withheld on the  
19 immediately preceding Saturday, Sunday, Monday, or  
20 Tuesday;

21 (B) on or before each Wednesday of the calendar  
22 year, for taxes withheld or required to be withheld on  
23 the immediately preceding Wednesday, Thursday, or  
24 Friday.

25 Beginning with calendar year 2011, payments made under  
26 this paragraph (1) of subsection (c) must be made by



1 electronic funds transfer.

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

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

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

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

19 (1) Permit employers, in lieu of the requirements of  
20 subsections (b) and (c), to file annual returns due on or  
21 before January 31 of the year for taxes withheld or  
22 required to be withheld during the previous calendar year  
23 and, if the aggregate amounts required to be withheld by  
24 the employer under this Article 7 (other than amounts  
25 required to be withheld under Section 709.5) do not exceed  
26 \$1,000 for the previous calendar year, to pay the taxes

1 required to be shown on each such return no later than the  
2 due date for such return.

3 (2) Provide that any payment required to be made under  
4 subsection (c)(1) or (c)(2) is deemed to be timely to the  
5 extent paid by electronic funds transfer on or before the  
6 due date for deposit of federal income taxes withheld  
7 from, or federal employment taxes due with respect to, the  
8 wages from which the Illinois taxes were withheld.

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

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

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

1           (f) Magnetic media and electronic filing. With respect to  
2 taxes withheld in calendar years prior to 2017, any W-2 Form  
3 that, under the Internal Revenue Code and regulations  
4 promulgated thereunder, is required to be submitted to the  
5 Internal Revenue Service on magnetic media or electronically  
6 must also be submitted to the Department on magnetic media or  
7 electronically for Illinois purposes, if required by the  
8 Department.

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

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

16           (g) For amounts deducted or withheld after December 31,  
17 2009, a taxpayer who makes an election under subsection (f) of  
18 Section 5-15 of the Economic Development for a Growing Economy  
19 Tax Credit Act for a taxable year shall be allowed a credit  
20 against payments due under this Section for amounts withheld  
21 during the first calendar year beginning after the end of that  
22 taxable year equal to the amount of the credit for the  
23 incremental income tax attributable to full-time employees of  
24 the taxpayer awarded to the taxpayer by the Department of  
25 Commerce and Economic Opportunity under the Economic  
26 Development for a Growing Economy Tax Credit Act for the

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

1 business group as defined under paragraph (27) of subsection  
2 (a) of Section 1501 of this Act. This Section is exempt from  
3 the provisions of Section 250 of this Act. No credit awarded  
4 under the Economic Development for a Growing Economy Tax  
5 Credit Act for agreements entered into on or after January 1,  
6 2015 may be credited against payments due under this Section.

7 (g-1) For amounts deducted or withheld after December 31,  
8 2024, a taxpayer who makes an election under the Reimagining  
9 Energy and Vehicles in Illinois Act shall be allowed a credit  
10 against payments due under this Section for amounts withheld  
11 during the first quarterly reporting period beginning after  
12 the certificate is issued equal to the portion of the REV  
13 Illinois Credit attributable to the incremental income tax  
14 attributable to new employees and retained employees as  
15 certified by the Department of Commerce and Economic  
16 Opportunity pursuant to an agreement with the taxpayer under  
17 the Reimagining Energy and Vehicles in Illinois Act for the  
18 taxable year. The credit or credits may not reduce the  
19 taxpayer's obligation for any payment due under this Section  
20 to less than zero. If the amount of the credit or credits  
21 exceeds the total payments due under this Section with respect  
22 to amounts withheld during the quarterly reporting period, the  
23 excess may be carried forward and applied against the  
24 taxpayer's liability under this Section in the succeeding  
25 quarterly reporting period as allowed to be carried forward  
26 under paragraph (4) of Section 211 of this Act. The credit or

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

17 (g-2) For amounts deducted or withheld after December 31,  
18 2024, a taxpayer who makes an election under the Manufacturing  
19 Illinois Chips for Real Opportunity (MICRO) Act shall be  
20 allowed a credit against payments due under this Section for  
21 amounts withheld during the first quarterly reporting period  
22 beginning after the certificate is issued equal to the portion  
23 of the MICRO Illinois Credit attributable to the incremental  
24 income tax attributable to new employees and retained  
25 employees as certified by the Department of Commerce and  
26 Economic Opportunity pursuant to an agreement with the

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

1 Act.

2 (h) An employer may claim a credit against payments due  
3 under this Section for amounts withheld during the first  
4 calendar year ending after the date on which a tax credit  
5 certificate was issued under Section 35 of the Small Business  
6 Job Creation Tax Credit Act. The credit shall be equal to the  
7 amount shown on the certificate, but may not reduce the  
8 taxpayer's obligation for any payment due under this Section  
9 to less than zero. If the amount of the credit exceeds the  
10 total payments due under this Section with respect to amounts  
11 withheld during the calendar year, the excess may be carried  
12 forward and applied against the taxpayer's liability under  
13 this Section in the 5 succeeding calendar years. The credit  
14 shall be applied to the earliest year for which there is a tax  
15 liability. If there are credits from more than one calendar  
16 year that are available to offset a liability, the earlier  
17 credit shall be applied first. This Section is exempt from the  
18 provisions of Section 250 of this Act.

19 (i) Each employer with 50 or fewer full-time equivalent  
20 employees during the reporting period may claim a credit  
21 against the payments due under this Section for each qualified  
22 employee in an amount equal to the maximum credit allowable.  
23 The credit may be taken against payments due for reporting  
24 periods that begin on or after January 1, 2020, and end on or  
25 before December 31, 2027. An employer may not claim a credit  
26 for an employee who has worked fewer than 90 consecutive days



1 immediately preceding the reporting period; however, such  
2 credits may accrue during that 90-day period and be claimed  
3 against payments under this Section for future reporting  
4 periods after the employee has worked for the employer at  
5 least 90 consecutive days. In no event may the credit exceed  
6 the employer's liability for the reporting period. Each  
7 employer who deducts and withholds or is required to deduct  
8 and withhold tax under this Act and who retains income tax  
9 withholdings under this subsection must make a return with  
10 respect to such taxes and retained amounts in the form and  
11 manner that the Department, by rule, requires and pay to the  
12 Department or to a depository designated by the Department  
13 those withheld taxes not retained by the employer.

14 For each reporting period, the employer may not claim a  
15 credit or credits for more employees than the number of  
16 employees making less than the minimum or reduced wage for the  
17 current calendar year during the last reporting period of the  
18 preceding calendar year. Notwithstanding any other provision  
19 of this subsection, an employer shall not be eligible for  
20 credits for a reporting period unless the average wage paid by  
21 the employer per employee for all employees making less than  
22 \$55,000 during the reporting period is greater than the  
23 average wage paid by the employer per employee for all  
24 employees making less than \$55,000 during the same reporting  
25 period of the prior calendar year.

26 For purposes of this subsection (i):

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

3 "Employer" and "employee" have the meaning ascribed to  
4 those terms in the Minimum Wage Law, except that "employee"  
5 also includes employees who work for an employer with fewer  
6 than 4 employees. Employers that operate more than one  
7 establishment pursuant to a franchise agreement or that  
8 constitute members of a unitary business group shall aggregate  
9 their employees for purposes of determining eligibility for  
10 the credit.

11 "Full-time equivalent employees" means the ratio of the  
12 number of paid hours during the reporting period and the  
13 number of working hours in that period.

14 "Maximum credit" means the percentage listed below of the  
15 difference between the amount of compensation paid in Illinois  
16 to employees who are paid not more than the required minimum  
17 wage reduced by the amount of compensation paid in Illinois to  
18 employees who were paid less than the current required minimum  
19 wage during the reporting period prior to each increase in the  
20 required minimum wage on January 1. If an employer pays an  
21 employee more than the required minimum wage and that employee  
22 previously earned less than the required minimum wage, the  
23 employer may include the portion that does not exceed the  
24 required minimum wage as compensation paid in Illinois to  
25 employees who are paid not more than the required minimum  
26 wage.

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

3 (2) 21% for reporting periods beginning on or after  
4 January 1, 2021 and ending on or before December 31, 2021;

5 (3) 17% for reporting periods beginning on or after  
6 January 1, 2022 and ending on or before December 31, 2022;

7 (4) 13% for reporting periods beginning on or after  
8 January 1, 2023 and ending on or before December 31, 2023;

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

11 (6) 5% for reporting periods beginning on or after  
12 January 1, 2025 and ending on or before December 31, 2025.

13 The amount computed under this subsection may continue to  
14 be claimed for reporting periods beginning on or after January  
15 1, 2026 and:

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

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

20 "Qualified employee" means an employee who is paid not  
21 more than the required minimum wage and has an average wage  
22 paid per hour by the employer during the reporting period  
23 equal to or greater than his or her average wage paid per hour  
24 by the employer during each reporting period for the  
25 immediately preceding 12 months. A new qualified employee is  
26 deemed to have earned the required minimum wage in the

1 preceding reporting period.

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

4 (j) For reporting periods beginning on or after January 1,  
5 2023, if a private employer grants all of its employees the  
6 option of taking a paid leave of absence of at least 30 days  
7 for the purpose of serving as an organ donor or bone marrow  
8 donor, then the private employer may take a credit against the  
9 payments due under this Section in an amount equal to the  
10 amount withheld under this Section with respect to wages paid  
11 while the employee is on organ donation leave, not to exceed  
12 \$1,000 in withholdings for each employee who takes organ  
13 donation leave. To be eligible for the credit, such a leave of  
14 absence must be taken without loss of pay, vacation time,  
15 compensatory time, personal days, or sick time for at least  
16 the first 30 days of the leave of absence. The private employer  
17 shall adopt rules governing organ donation leave, including  
18 rules that (i) establish conditions and procedures for  
19 requesting and approving leave and (ii) require medical  
20 documentation of the proposed organ or bone marrow donation  
21 before leave is approved by the private employer. A private  
22 employer must provide, in the manner required by the  
23 Department, documentation from the employee's medical  
24 provider, which the private employer receives from the  
25 employee, that verifies the employee's organ donation. The  
26 private employer must also provide, in the manner required by

1 the Department, documentation that shows that a qualifying  
2 organ donor leave policy was in place and offered to all  
3 qualifying employees at the time the leave was taken. For the  
4 private employer to receive the tax credit, the employee  
5 taking organ donor leave must allow for the applicable medical  
6 records to be disclosed to the Department. If the private  
7 employer cannot provide the required documentation to the  
8 Department, then the private employer is ineligible for the  
9 credit under this Section. A private employer must also  
10 provide, in the form required by the Department, any  
11 additional documentation or information required by the  
12 Department to administer the credit under this Section. The  
13 credit under this subsection (j) shall be taken within one  
14 year after the date upon which the organ donation leave  
15 begins. If the leave taken spans into a second tax year, the  
16 employer qualifies for the allowable credit in the later of  
17 the 2 years. If the amount of credit exceeds the tax liability  
18 for the year, the excess may be carried and applied to the tax  
19 liability for the 3 taxable years following the excess credit  
20 year. The tax credit shall be applied to the earliest year for  
21 which there is a tax liability. If there are credits for more  
22 than one year that are available to offset liability, the  
23 earlier credit shall be applied first.

24 Nothing in this subsection (j) prohibits a private  
25 employer from providing an unpaid leave of absence to its  
26 employees for the purpose of serving as an organ donor or bone

1 marrow donor; however, if the employer's policy provides for  
2 fewer than 30 days of paid leave for organ or bone marrow  
3 donation, then the employer shall not be eligible for the  
4 credit under this Section.

5 As used in this subsection (j):

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

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

12 "Private employer" means a sole proprietorship,  
13 corporation, partnership, limited liability company, or other  
14 entity with one or more employees. "Private employer" does not  
15 include a municipality, county, State agency, or other public  
16 employer.

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

19 (k) For reporting periods beginning on or after January 1,  
20 2025 and before January 1, 2027, an employer may claim a credit  
21 against payments due under this Section for amounts withheld  
22 during the first reporting period to occur after the date on  
23 which a tax credit certificate is issued for a non-profit  
24 theater production under Section 10 of the Live Theater  
25 Production Tax Credit Act. The credit shall be equal to the  
26 amount shown on the certificate, but may not reduce the

1 taxpayer's obligation for any payment due under this Article  
2 to less than zero. If the amount of the credit exceeds the  
3 total amount due under this Article with respect to amounts  
4 withheld during the first reporting period to occur after the  
5 date on which a tax credit certificate is issued, the excess  
6 may be carried forward and applied against the taxpayer's  
7 liability under this Section for reporting periods that occur  
8 in the 5 succeeding calendar years. The excess credit shall be  
9 applied to the earliest reporting period for which there is a  
10 payment due under this Article. If there are credits from more  
11 than one reporting period that are available to offset a  
12 liability, the earlier credit shall be applied first. The  
13 Department of Revenue, in cooperation with the Department of  
14 Commerce and Economic Opportunity, shall adopt rules to  
15 enforce and administer the provisions of this subsection.

16 (Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21;  
17 102-700, Article 30, Section 30-5, eff. 4-19-22; 102-700,  
18 Article 110, Section 110-905, eff. 4-19-22; 102-1125, eff.  
19 2-3-23.)

20 ARTICLE 50.

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

1 Section 50-5. Purpose. The State's economy depends heavily  
2 on music, professional musicians, music teachers, and  
3 educators. Illinois is a cultural crown jewel of the United  
4 States. Illinois and Chicago boast a robust history and  
5 community of creative artists, writers, musicians, architects,  
6 orchestras, live music and entertainment venues, civic operas,  
7 recording studios, and universities. The COVID-19 pandemic and  
8 the economic fallout that ensued brought on especially  
9 difficult circumstances for the live entertainment industry at  
10 large. Throughout the State, this has meant the closure of and  
11 overall decrease in culturally engaging aspects of Illinois  
12 cities from Cairo to Chicago.

13 According to the Americans for the Arts Action Fund, arts  
14 and culture represent 3.1% of the State's gross domestic  
15 product and 190,078 jobs. In fact, in 2020, Illinois arts and  
16 culture was larger than the State's agriculture industry. In  
17 2015, nonprofit arts organizations in the State generated  
18 \$4,000,000,000 in economic activity that supported 111,068  
19 jobs and generated \$478,500,000 in State and local government  
20 revenue. In Chicago specifically, nonprofit arts groups  
21 generated \$3,200,000,000 in total economic activity and  
22 \$336,500,000 in State and local government revenue. Audiences  
23 exceeded 36,000,000 people.

24 Yet, during the COVID-19 pandemic, the arts suffered. As a  
25 result, Illinois arts and culture value added decreased by 9%  
26 between 2019 and 2020 and employment decreased by 12%.



1 Ultimately, \$3,200,000,000 and 26,644 jobs were lost. Even as  
2 live performances have resumed, audience sizes remain below  
3 pre-pandemic levels. Regional theaters, local orchestras,  
4 opera houses, and performing arts organizations are reporting  
5 persistent drops in attendance.

6 It is the policy of this State to promote and encourage the  
7 training and hiring of Illinois residents who represent the  
8 diversity of the Illinois population through the creation and  
9 implementation of training, education, and recruitment  
10 programs organized in cooperation with Illinois colleges and  
11 universities, labor organizations, and the commercial  
12 for-profit music industry.

13 Section 50-10. Definitions.

14 "Department" means the Department of Commerce and Economic  
15 Opportunity.

16 "Expenditure in the State" means (i) an expenditure to  
17 acquire, from a source within the State, property that is  
18 subject to tax under the Use Tax Act, the Service Use Tax Act,  
19 the Service Occupation Tax Act, or the Retailers' Occupation  
20 Tax Act or (ii) an expenditure for compensation for services  
21 performed within the State that is subject to State income tax  
22 under the Illinois Income Tax Act.

23 "Illinois labor expenditure" means gross salary or wages,  
24 including, but not limited to, taxes, benefits, and any other  
25 consideration incurred or paid to artist employees of the

1 applicant for services rendered to and on behalf of the  
2 qualified music company, provided that the expenditure is:

3 (1) incurred or paid by the applicant on or after the  
4 effective date of this Act for services related to any  
5 portion of a qualified music company from rehearsals,  
6 performances, and any other qualified music company  
7 related activities;

8 (2) limited to the first \$100,000 of wages incurred or  
9 paid to each employee of a qualified music production in  
10 each tax year;

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

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

15 (5) reasonable under the circumstances.

16 "Qualified music company" means an entity that (i) is  
17 authorized to do business in Illinois, (ii) is engaged  
18 directly or indirectly in the production, distribution, or  
19 promotion of music, (iii) is certified by the Department as  
20 meeting the eligibility requirements of this Act, and (iv) has  
21 executed a contract with the Department providing the terms  
22 and conditions for its participation.

23 "Qualified music company payroll" or "QMC payroll" means  
24 wages reported by the qualified music company in box 1 of each  
25 W-2 form prepared for an employee of the qualified music  
26 company who is an Illinois resident.

1 "Resident copyright" means the copyright of a musical  
2 composition written by an Illinois resident or owned by an  
3 Illinois-domiciled music company, as evidenced by documents of  
4 ownership, including, but not limited to, registration with  
5 the United States Copyright Office.

6 "Sound recording" means a recording of music, poetry, or a  
7 spoken-word performance made, in whole or in part, in  
8 Illinois. "Sound recording" does not include the audio  
9 portions of dialogue or words spoken and recorded as part of  
10 television news coverage or athletic events.

11 "Sound recording production company" means a company  
12 engaged in the business of producing sound recordings. "Sound  
13 recording production company" does not include any person or  
14 company, or any company owned, affiliated, or controlled, in  
15 whole or in part, by any company or person, that is in default  
16 on a loan made by the State or a loan guaranteed by the State,  
17 nor which has ever declared bankruptcy under which an  
18 obligation of the company or person to pay or repay public  
19 funds or moneys was discharged as a part of the bankruptcy.

20 "State-certified production" means a sound recording  
21 production, or a series of productions, including but not  
22 limited to master and demonstration recordings, occurring over  
23 the course of a 12-month period, and the base  
24 production-related investment that is approved by the  
25 Department within 180 days after receipt by the Department of  
26 a complete application for initial certification of a

1 production. If the production is not approved within 180 days,  
2 the Department shall provide a written report to the Senate  
3 Executive Committee and the House Executive Committee that  
4 states the reason why the production has not been approved.

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

9 Section 50-15. Powers of the Department. The Department,  
10 in addition to those powers granted under the Civil  
11 Administrative Code of Illinois, is granted and has all the  
12 powers necessary or convenient to carry out and effectuate the  
13 purposes and provisions of this Act, including, but not  
14 limited to, the power and authority to:

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

17 (2) establish forms for applications, notifications,  
18 contracts, or any other agreements with respect to tax  
19 credits under this Act and to accept applications for tax  
20 credits under this Act at any time during the year;

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

25 (4) gather information and conduct inquiries, as

1 provided in this Act, required for the Department to  
2 comply with the provisions of this Act and, without  
3 limitation, to obtain information with respect to  
4 applicants for the purpose of making any designations or  
5 certifications necessary or desirable to assist the  
6 Department with any recommendation or guidance in the  
7 furtherance of the purposes of this Act and relating to  
8 applicants' participation in training, education, and  
9 recruitment programs that are organized in cooperation  
10 with Illinois colleges and universities or labor  
11 organizations designed to promote and encourage the  
12 training and hiring of Illinois residents who represent  
13 the diversity of the Illinois population;

14 (5) provide for sufficient personnel to permit  
15 administrative, staffing, operating, and related support  
16 required to adequately discharge the Department's duties  
17 and responsibilities under this Act from funds as may be  
18 appropriated by the General Assembly for the  
19 administration of this Act; and

20 (6) require that the applicant at all times keep  
21 proper books and records of accounts relating to the tax  
22 credit award, in accordance with generally accepted  
23 accounting principles consistently applied, and make those  
24 books and records available for reasonable Department  
25 inspection and audit, upon reasonable written request by  
26 the Department, during the applicant's normal business

1 hours. Any documents or data made available to the  
2 Department or received by the Department from the  
3 applicant by any agent, employee, officer, or service  
4 provider shall be deemed confidential and shall not  
5 constitute public records to the extent that the documents  
6 or data consist of commercial or financial information  
7 regarding the operation by the applicant of any theater or  
8 any accredited theater production or any recipient of any  
9 tax credit award under this Act.

10 Section 50-20. Application for certification of qualified  
11 music company. Any applicant that operates a qualified music  
12 company located in the State or is proposing to operate a  
13 qualified music company in the State may apply to the  
14 Department to have the qualified music company certified by  
15 the Department as a qualified music company.

16 Section 50-25. Review of applications for qualified music  
17 company certificates.

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

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

23 (2) the applicant intends to make the expenditure in  
24 the State required for certification of the qualified

1 music company;

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

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

8 (A) the applicant has filed with the Department a  
9 diversity plan outlining specific goals for hiring  
10 Illinois labor expenditure eligible minority persons  
11 and women, as defined in the Business Enterprise for  
12 Minorities, Women, and Persons with Disabilities Act,  
13 and for using vendors receiving certification under  
14 the Business Enterprise for Minorities, Women, and  
15 Persons with Disabilities Act;

16 (B) the Department has approved the plan as  
17 meeting the requirements established by the Department  
18 and verified that the applicant has met or made good  
19 faith efforts in achieving those goals; and

20 (C) the Department has adopted any rules that are  
21 necessary to ensure compliance with the provisions set  
22 forth in this paragraph (4) and any rules that are  
23 necessary to show that the applicant's plan reflects  
24 the diversity of the population of this State;

25 (5) the applicant's qualified music company  
26 application indicates whether the applicant intends to

1 participate in training, education, and recruitment  
2 programs that are organized in cooperation with Illinois  
3 colleges and universities, labor organizations, and the  
4 holders of qualified music company certificates and are  
5 designed to promote and encourage the training and hiring  
6 of Illinois residents who represent the diversity of  
7 Illinois; and

8 (6) the tax credit award will result in an overall  
9 positive impact to the State, as determined by the  
10 Department using the best available data.

11 (b) If any of the provisions in this Section conflict with  
12 any existing collective bargaining agreements, the terms and  
13 conditions of those collective bargaining agreements shall  
14 control.

15 (c) The Department shall act expeditiously regarding  
16 approval of applications for qualified music companies so as  
17 to accommodate the operations and needs of those companies.

18 Section 50-30. Training programs for skills in critical  
19 demand. To accomplish the purposes of this Act, the Department  
20 may use the training programs provided under Section 605-800  
21 of the Department of Commerce and Economic Opportunity Law of  
22 the Civil Administrative Code of Illinois.

23 Section 50-35. Issuance of tax credit award certificate.

24 (a) In order to qualify for a tax credit award under this



1 Act, an applicant must file an application for each qualified  
2 music company at each of the applicant's qualified facilities,  
3 on forms prescribed by the Department, providing information  
4 necessary to calculate the tax credit award and any additional  
5 information as reasonably required by the Department.

6 (b) Upon satisfactory review of the application, the  
7 Department shall issue a tax credit award certificate stating  
8 the amount of the tax credit award to which the applicant is  
9 entitled for that tax year and shall contemporaneously notify  
10 the applicant and the Department of Revenue.

11 (c) For tax years beginning on or after January 1, 2025, a  
12 taxpayer who has been awarded a tax credit under paragraph (b)  
13 of this Section is entitled to a credit against the taxes  
14 imposed under subsections (a) and (b) of Section 201 of the  
15 Illinois Income Tax Act.

16 Section 50-40. Amount and payment of the tax credit award.

17 (a) For taxable years beginning on or after January 1,  
18 2025, the Department may award tax credit awards to qualified  
19 music companies. The award may not exceed 10% of the Illinois  
20 labor expenditures for the State-certified production if the  
21 QMC payroll of the qualified music company for the taxable  
22 year does not exceed \$150,000 or 15% of the Illinois labor  
23 expenditures for the State-certified production if the QMC  
24 payroll of the qualified music company for the taxable year  
25 exceeds \$150,000, plus all of the following:

1           (1) an additional 15% of the Illinois labor  
2 expenditures for the State-certified production generated  
3 by the employment of Illinois residents in geographic  
4 areas of high poverty or high unemployment in each tax  
5 year, as determined by the Department; and

6           (2) an additional 7% of the Illinois labor  
7 expenditures for the State-certified production generated  
8 by the employment of individuals who are employed at a  
9 wage of no less than the general prevailing hourly rate as  
10 paid for work of a similar character in the locality in  
11 which the work is performed; and

12           (3) an additional 7% of the Illinois labor  
13 expenditures for the State-certified production incurred  
14 by a qualified music company and spent on post-production  
15 sound recording for television or film work completed in  
16 Illinois.

17           (b) To the extent that the base investment by a qualified  
18 music company is expended on a sound recording production of a  
19 resident copyright, the investor shall be allowed an  
20 additional 10% increase in the base investment rate.

21           (c) The aggregate amount of credits certified for all  
22 investors pursuant to this Section during any calendar year  
23 shall not exceed \$1,000,000. No more than \$200,000 in tax  
24 credits may be granted per calendar year for any single  
25 qualified music company.

26           (d) A business is eligible for participation in the

1 program if the business meets all of the following criteria:

2 (1) The business is engaged directly or indirectly in  
3 the production, distribution, and promotion of music.

4 (2) The business is approved by the Director of  
5 Commerce and Economic Opportunity.

6 (e) Upon approval of a tax credit award under this Act, the  
7 Department shall issue a tax credit certificate to the  
8 applicant.

9 Section 50-45. Qualified music program evaluation and  
10 reports.

11 (a) The Department's qualified music program tax credit  
12 award evaluation must include:

13 (1) an assessment of the effectiveness of the program  
14 in creating and retaining new jobs in Illinois;

15 (2) an assessment of the revenue impact of the  
16 program;

17 (3) in the discretion of the Department, a review of  
18 the practices and experiences of other states or nations  
19 with similar programs; and

20 (4) an assessment of the overall success of the  
21 program.

22 The Department may make a recommendation to extend, modify, or  
23 not extend the program based on the evaluation.

24 (b) At the end of each fiscal quarter, the Department  
25 shall submit to the General Assembly a report that includes,

1 without limitation:

2 (1) an assessment of the economic impact of the  
3 program, including the number of jobs created and  
4 retained, and whether the job positions are entry level,  
5 management, vendor, or production related;

6 (2) the amount of qualified music company spending  
7 brought to Illinois, including the amount of spending and  
8 type of Illinois vendors hired in connection with a  
9 qualified music company; and

10 (3) a determination of whether those receiving  
11 qualifying Illinois labor expenditure salaries or wages  
12 reflect the geographic, racial and ethnic, gender, and  
13 income level diversity of the State of Illinois.

14 (c) At the end of each fiscal year, the Department shall  
15 submit to the General Assembly a report that includes, without  
16 limitation:

17 (1) the identification of each vendor that provided  
18 goods or services that were included in a qualified music  
19 company's Illinois spending;

20 (2) a statement of the amount paid to each identified  
21 vendor by the qualified music program and whether the  
22 vendor is a minority-owned or women-owned business as  
23 defined in Section 2 of the Business Enterprise for  
24 Minorities, Women, and Persons with Disabilities Act; and

25 (3) a description of the steps taken by the Department  
26 to encourage qualified music company to use vendors who

1 are minority-owned or women-owned businesses.

2 Section 50-50. Program terms and conditions. Any  
3 documentary materials or data made available or received from  
4 an applicant by any agent or employee of the Department are  
5 confidential and are not public records to the extent that the  
6 materials or data consist of commercial or financial  
7 information regarding the operation of or the production of  
8 the applicant or recipient of any tax credit award under this  
9 Act.

10 ARTICLE 52.

11 Section 52-3. The Freedom of Information Act is amended by  
12 changing Section 7.5 as follows:

13 (5 ILCS 140/7.5)

14 (Text of Section before amendment by P.A. 103-472)

15 Sec. 7.5. Statutory exemptions. To the extent provided for  
16 by the statutes referenced below, the following shall be  
17 exempt from inspection and copying:

18 (a) All information determined to be confidential  
19 under Section 4002 of the Technology Advancement and  
20 Development Act.

21 (b) Library circulation and order records identifying  
22 library users with specific materials under the Library

1 Records Confidentiality Act.

2 (c) Applications, related documents, and medical  
3 records received by the Experimental Organ Transplantation  
4 Procedures Board and any and all documents or other  
5 records prepared by the Experimental Organ Transplantation  
6 Procedures Board or its staff relating to applications it  
7 has received.

8 (d) Information and records held by the Department of  
9 Public Health and its authorized representatives relating  
10 to known or suspected cases of sexually transmissible  
11 disease or any information the disclosure of which is  
12 restricted under the Illinois Sexually Transmissible  
13 Disease Control Act.

14 (e) Information the disclosure of which is exempted  
15 under Section 30 of the Radon Industry Licensing Act.

16 (f) Firm performance evaluations under Section 55 of  
17 the Architectural, Engineering, and Land Surveying  
18 Qualifications Based Selection Act.

19 (g) Information the disclosure of which is restricted  
20 and exempted under Section 50 of the Illinois Prepaid  
21 Tuition Act.

22 (h) Information the disclosure of which is exempted  
23 under the State Officials and Employees Ethics Act, and  
24 records of any lawfully created State or local inspector  
25 general's office that would be exempt if created or  
26 obtained by an Executive Inspector General's office under

1 that Act.

2 (i) Information contained in a local emergency energy  
3 plan submitted to a municipality in accordance with a  
4 local emergency energy plan ordinance that is adopted  
5 under Section 11-21.5-5 of the Illinois Municipal Code.

6 (j) Information and data concerning the distribution  
7 of surcharge moneys collected and remitted by carriers  
8 under the Emergency Telephone System Act.

9 (k) Law enforcement officer identification information  
10 or driver identification information compiled by a law  
11 enforcement agency or the Department of Transportation  
12 under Section 11-212 of the Illinois Vehicle Code.

13 (l) Records and information provided to a residential  
14 health care facility resident sexual assault and death  
15 review team or the Executive Council under the Abuse  
16 Prevention Review Team Act.

17 (m) Information provided to the predatory lending  
18 database created pursuant to Article 3 of the Residential  
19 Real Property Disclosure Act, except to the extent  
20 authorized under that Article.

21 (n) Defense budgets and petitions for certification of  
22 compensation and expenses for court appointed trial  
23 counsel as provided under Sections 10 and 15 of the  
24 Capital Crimes Litigation Act (repealed). This subsection  
25 (n) shall apply until the conclusion of the trial of the  
26 case, even if the prosecution chooses not to pursue the

1 death penalty prior to trial or sentencing.

2 (o) Information that is prohibited from being  
3 disclosed under Section 4 of the Illinois Health and  
4 Hazardous Substances Registry Act.

5 (p) Security portions of system safety program plans,  
6 investigation reports, surveys, schedules, lists, data, or  
7 information compiled, collected, or prepared by or for the  
8 Department of Transportation under Sections 2705-300 and  
9 2705-616 of the Department of Transportation Law of the  
10 Civil Administrative Code of Illinois, the Regional  
11 Transportation Authority under Section 2.11 of the  
12 Regional Transportation Authority Act, or the St. Clair  
13 County Transit District under the Bi-State Transit Safety  
14 Act (repealed).

15 (q) Information prohibited from being disclosed by the  
16 Personnel Record Review Act.

17 (r) Information prohibited from being disclosed by the  
18 Illinois School Student Records Act.

19 (s) Information the disclosure of which is restricted  
20 under Section 5-108 of the Public Utilities Act.

21 (t) (Blank).

22 (u) Records and information provided to an independent  
23 team of experts under the Developmental Disability and  
24 Mental Health Safety Act (also known as Brian's Law).

25 (v) Names and information of people who have applied  
26 for or received Firearm Owner's Identification Cards under



1 the Firearm Owners Identification Card Act or applied for  
2 or received a concealed carry license under the Firearm  
3 Concealed Carry Act, unless otherwise authorized by the  
4 Firearm Concealed Carry Act; and databases under the  
5 Firearm Concealed Carry Act, records of the Concealed  
6 Carry Licensing Review Board under the Firearm Concealed  
7 Carry Act, and law enforcement agency objections under the  
8 Firearm Concealed Carry Act.

9 (v-5) Records of the Firearm Owner's Identification  
10 Card Review Board that are exempted from disclosure under  
11 Section 10 of the Firearm Owners Identification Card Act.

12 (w) Personally identifiable information which is  
13 exempted from disclosure under subsection (g) of Section  
14 19.1 of the Toll Highway Act.

15 (x) Information which is exempted from disclosure  
16 under Section 5-1014.3 of the Counties Code or Section  
17 8-11-21 of the Illinois Municipal Code.

18 (y) Confidential information under the Adult  
19 Protective Services Act and its predecessor enabling  
20 statute, the Elder Abuse and Neglect Act, including  
21 information about the identity and administrative finding  
22 against any caregiver of a verified and substantiated  
23 decision of abuse, neglect, or financial exploitation of  
24 an eligible adult maintained in the Registry established  
25 under Section 7.5 of the Adult Protective Services Act.

26 (z) Records and information provided to a fatality

1 review team or the Illinois Fatality Review Team Advisory  
2 Council under Section 15 of the Adult Protective Services  
3 Act.

4 (aa) Information which is exempted from disclosure  
5 under Section 2.37 of the Wildlife Code.

6 (bb) Information which is or was prohibited from  
7 disclosure by the Juvenile Court Act of 1987.

8 (cc) Recordings made under the Law Enforcement  
9 Officer-Worn Body Camera Act, except to the extent  
10 authorized under that Act.

11 (dd) Information that is prohibited from being  
12 disclosed under Section 45 of the Condominium and Common  
13 Interest Community Ombudsperson Act.

14 (ee) Information that is exempted from disclosure  
15 under Section 30.1 of the Pharmacy Practice Act.

16 (ff) Information that is exempted from disclosure  
17 under the Revised Uniform Unclaimed Property Act.

18 (gg) Information that is prohibited from being  
19 disclosed under Section 7-603.5 of the Illinois Vehicle  
20 Code.

21 (hh) Records that are exempt from disclosure under  
22 Section 1A-16.7 of the Election Code.

23 (ii) Information which is exempted from disclosure  
24 under Section 2505-800 of the Department of Revenue Law of  
25 the Civil Administrative Code of Illinois.

26 (jj) Information and reports that are required to be

1 submitted to the Department of Labor by registering day  
2 and temporary labor service agencies but are exempt from  
3 disclosure under subsection (a-1) of Section 45 of the Day  
4 and Temporary Labor Services Act.

5 (kk) Information prohibited from disclosure under the  
6 Seizure and Forfeiture Reporting Act.

7 (ll) Information the disclosure of which is restricted  
8 and exempted under Section 5-30.8 of the Illinois Public  
9 Aid Code.

10 (mm) Records that are exempt from disclosure under  
11 Section 4.2 of the Crime Victims Compensation Act.

12 (nn) Information that is exempt from disclosure under  
13 Section 70 of the Higher Education Student Assistance Act.

14 (oo) Communications, notes, records, and reports  
15 arising out of a peer support counseling session  
16 prohibited from disclosure under the First Responders  
17 Suicide Prevention Act.

18 (pp) Names and all identifying information relating to  
19 an employee of an emergency services provider or law  
20 enforcement agency under the First Responders Suicide  
21 Prevention Act.

22 (qq) Information and records held by the Department of  
23 Public Health and its authorized representatives collected  
24 under the Reproductive Health Act.

25 (rr) Information that is exempt from disclosure under  
26 the Cannabis Regulation and Tax Act.

1           (ss) Data reported by an employer to the Department of  
2 Human Rights pursuant to Section 2-108 of the Illinois  
3 Human Rights Act.

4           (tt) Recordings made under the Children's Advocacy  
5 Center Act, except to the extent authorized under that  
6 Act.

7           (uu) Information that is exempt from disclosure under  
8 Section 50 of the Sexual Assault Evidence Submission Act.

9           (vv) Information that is exempt from disclosure under  
10 subsections (f) and (j) of Section 5-36 of the Illinois  
11 Public Aid Code.

12           (wv) Information that is exempt from disclosure under  
13 Section 16.8 of the State Treasurer Act.

14           (xx) Information that is exempt from disclosure or  
15 information that shall not be made public under the  
16 Illinois Insurance Code.

17           (yy) Information prohibited from being disclosed under  
18 the Illinois Educational Labor Relations Act.

19           (zz) Information prohibited from being disclosed under  
20 the Illinois Public Labor Relations Act.

21           (aaa) Information prohibited from being disclosed  
22 under Section 1-167 of the Illinois Pension Code.

23           (bbb) Information that is prohibited from disclosure  
24 by the Illinois Police Training Act and the Illinois State  
25 Police Act.

26           (ccc) Records exempt from disclosure under Section

1 2605-304 of the Illinois State Police Law of the Civil  
2 Administrative Code of Illinois.

3 (ddd) Information prohibited from being disclosed  
4 under Section 35 of the Address Confidentiality for  
5 Victims of Domestic Violence, Sexual Assault, Human  
6 Trafficking, or Stalking Act.

7 (eee) Information prohibited from being disclosed  
8 under subsection (b) of Section 75 of the Domestic  
9 Violence Fatality Review Act.

10 (fff) Images from cameras under the Expressway Camera  
11 Act. This subsection (fff) is inoperative on and after  
12 July 1, 2025.

13 (ggg) Information prohibited from disclosure under  
14 paragraph (3) of subsection (a) of Section 14 of the Nurse  
15 Agency Licensing Act.

16 (hhh) Information submitted to the Illinois State  
17 Police in an affidavit or application for an assault  
18 weapon endorsement, assault weapon attachment endorsement,  
19 .50 caliber rifle endorsement, or .50 caliber cartridge  
20 endorsement under the Firearm Owners Identification Card  
21 Act.

22 (iii) Data exempt from disclosure under Section 50 of  
23 the School Safety Drill Act.

24 (jjj) ~~(hhh)~~ Information exempt from disclosure under  
25 Section 30 of the Insurance Data Security Law.

26 (kkk) ~~(iii)~~ Confidential business information

1 prohibited from disclosure under Section 45 of the Paint  
2 Stewardship Act.

3 (lll) (Reserved).

4 (mmm) ~~(iii)~~ Information prohibited from being  
5 disclosed under subsection (e) of Section 1-129 of the  
6 Illinois Power Agency Act.

7 (nnn) Materials received by the Department of Commerce  
8 and Economic Opportunity that are confidential under the  
9 Music and Musicians Tax Credit and Jobs Act.

10 (Source: P.A. 102-36, eff. 6-25-21; 102-237, eff. 1-1-22;  
11 102-292, eff. 1-1-22; 102-520, eff. 8-20-21; 102-559, eff.  
12 8-20-21; 102-813, eff. 5-13-22; 102-946, eff. 7-1-22;  
13 102-1042, eff. 6-3-22; 102-1116, eff. 1-10-23; 103-8, eff.  
14 6-7-23; 103-34, eff. 6-9-23; 103-142, eff. 1-1-24; 103-372,  
15 eff. 1-1-24; 103-508, eff. 8-4-23; 103-580, eff. 12-8-23;  
16 revised 1-2-24.)

17 (Text of Section after amendment by P.A. 103-472)

18 Sec. 7.5. Statutory exemptions. To the extent provided for  
19 by the statutes referenced below, the following shall be  
20 exempt from inspection and copying:

21 (a) All information determined to be confidential  
22 under Section 4002 of the Technology Advancement and  
23 Development Act.

24 (b) Library circulation and order records identifying  
25 library users with specific materials under the Library

1 Records Confidentiality Act.

2 (c) Applications, related documents, and medical  
3 records received by the Experimental Organ Transplantation  
4 Procedures Board and any and all documents or other  
5 records prepared by the Experimental Organ Transplantation  
6 Procedures Board or its staff relating to applications it  
7 has received.

8 (d) Information and records held by the Department of  
9 Public Health and its authorized representatives relating  
10 to known or suspected cases of sexually transmissible  
11 disease or any information the disclosure of which is  
12 restricted under the Illinois Sexually Transmissible  
13 Disease Control Act.

14 (e) Information the disclosure of which is exempted  
15 under Section 30 of the Radon Industry Licensing Act.

16 (f) Firm performance evaluations under Section 55 of  
17 the Architectural, Engineering, and Land Surveying  
18 Qualifications Based Selection Act.

19 (g) Information the disclosure of which is restricted  
20 and exempted under Section 50 of the Illinois Prepaid  
21 Tuition Act.

22 (h) Information the disclosure of which is exempted  
23 under the State Officials and Employees Ethics Act, and  
24 records of any lawfully created State or local inspector  
25 general's office that would be exempt if created or  
26 obtained by an Executive Inspector General's office under

1 that Act.

2 (i) Information contained in a local emergency energy  
3 plan submitted to a municipality in accordance with a  
4 local emergency energy plan ordinance that is adopted  
5 under Section 11-21.5-5 of the Illinois Municipal Code.

6 (j) Information and data concerning the distribution  
7 of surcharge moneys collected and remitted by carriers  
8 under the Emergency Telephone System Act.

9 (k) Law enforcement officer identification information  
10 or driver identification information compiled by a law  
11 enforcement agency or the Department of Transportation  
12 under Section 11-212 of the Illinois Vehicle Code.

13 (l) Records and information provided to a residential  
14 health care facility resident sexual assault and death  
15 review team or the Executive Council under the Abuse  
16 Prevention Review Team Act.

17 (m) Information provided to the predatory lending  
18 database created pursuant to Article 3 of the Residential  
19 Real Property Disclosure Act, except to the extent  
20 authorized under that Article.

21 (n) Defense budgets and petitions for certification of  
22 compensation and expenses for court appointed trial  
23 counsel as provided under Sections 10 and 15 of the  
24 Capital Crimes Litigation Act (repealed). This subsection  
25 (n) shall apply until the conclusion of the trial of the  
26 case, even if the prosecution chooses not to pursue the



1 death penalty prior to trial or sentencing.

2 (o) Information that is prohibited from being  
3 disclosed under Section 4 of the Illinois Health and  
4 Hazardous Substances Registry Act.

5 (p) Security portions of system safety program plans,  
6 investigation reports, surveys, schedules, lists, data, or  
7 information compiled, collected, or prepared by or for the  
8 Department of Transportation under Sections 2705-300 and  
9 2705-616 of the Department of Transportation Law of the  
10 Civil Administrative Code of Illinois, the Regional  
11 Transportation Authority under Section 2.11 of the  
12 Regional Transportation Authority Act, or the St. Clair  
13 County Transit District under the Bi-State Transit Safety  
14 Act (repealed).

15 (q) Information prohibited from being disclosed by the  
16 Personnel Record Review Act.

17 (r) Information prohibited from being disclosed by the  
18 Illinois School Student Records Act.

19 (s) Information the disclosure of which is restricted  
20 under Section 5-108 of the Public Utilities Act.

21 (t) (Blank).

22 (u) Records and information provided to an independent  
23 team of experts under the Developmental Disability and  
24 Mental Health Safety Act (also known as Brian's Law).

25 (v) Names and information of people who have applied  
26 for or received Firearm Owner's Identification Cards under

1 the Firearm Owners Identification Card Act or applied for  
2 or received a concealed carry license under the Firearm  
3 Concealed Carry Act, unless otherwise authorized by the  
4 Firearm Concealed Carry Act; and databases under the  
5 Firearm Concealed Carry Act, records of the Concealed  
6 Carry Licensing Review Board under the Firearm Concealed  
7 Carry Act, and law enforcement agency objections under the  
8 Firearm Concealed Carry Act.

9 (v-5) Records of the Firearm Owner's Identification  
10 Card Review Board that are exempted from disclosure under  
11 Section 10 of the Firearm Owners Identification Card Act.

12 (w) Personally identifiable information which is  
13 exempted from disclosure under subsection (g) of Section  
14 19.1 of the Toll Highway Act.

15 (x) Information which is exempted from disclosure  
16 under Section 5-1014.3 of the Counties Code or Section  
17 8-11-21 of the Illinois Municipal Code.

18 (y) Confidential information under the Adult  
19 Protective Services Act and its predecessor enabling  
20 statute, the Elder Abuse and Neglect Act, including  
21 information about the identity and administrative finding  
22 against any caregiver of a verified and substantiated  
23 decision of abuse, neglect, or financial exploitation of  
24 an eligible adult maintained in the Registry established  
25 under Section 7.5 of the Adult Protective Services Act.

26 (z) Records and information provided to a fatality

1 review team or the Illinois Fatality Review Team Advisory  
2 Council under Section 15 of the Adult Protective Services  
3 Act.

4 (aa) Information which is exempted from disclosure  
5 under Section 2.37 of the Wildlife Code.

6 (bb) Information which is or was prohibited from  
7 disclosure by the Juvenile Court Act of 1987.

8 (cc) Recordings made under the Law Enforcement  
9 Officer-Worn Body Camera Act, except to the extent  
10 authorized under that Act.

11 (dd) Information that is prohibited from being  
12 disclosed under Section 45 of the Condominium and Common  
13 Interest Community Ombudsperson Act.

14 (ee) Information that is exempted from disclosure  
15 under Section 30.1 of the Pharmacy Practice Act.

16 (ff) Information that is exempted from disclosure  
17 under the Revised Uniform Unclaimed Property Act.

18 (gg) Information that is prohibited from being  
19 disclosed under Section 7-603.5 of the Illinois Vehicle  
20 Code.

21 (hh) Records that are exempt from disclosure under  
22 Section 1A-16.7 of the Election Code.

23 (ii) Information which is exempted from disclosure  
24 under Section 2505-800 of the Department of Revenue Law of  
25 the Civil Administrative Code of Illinois.

26 (jj) Information and reports that are required to be

1 submitted to the Department of Labor by registering day  
2 and temporary labor service agencies but are exempt from  
3 disclosure under subsection (a-1) of Section 45 of the Day  
4 and Temporary Labor Services Act.

5 (kk) Information prohibited from disclosure under the  
6 Seizure and Forfeiture Reporting Act.

7 (ll) Information the disclosure of which is restricted  
8 and exempted under Section 5-30.8 of the Illinois Public  
9 Aid Code.

10 (mm) Records that are exempt from disclosure under  
11 Section 4.2 of the Crime Victims Compensation Act.

12 (nn) Information that is exempt from disclosure under  
13 Section 70 of the Higher Education Student Assistance Act.

14 (oo) Communications, notes, records, and reports  
15 arising out of a peer support counseling session  
16 prohibited from disclosure under the First Responders  
17 Suicide Prevention Act.

18 (pp) Names and all identifying information relating to  
19 an employee of an emergency services provider or law  
20 enforcement agency under the First Responders Suicide  
21 Prevention Act.

22 (qq) Information and records held by the Department of  
23 Public Health and its authorized representatives collected  
24 under the Reproductive Health Act.

25 (rr) Information that is exempt from disclosure under  
26 the Cannabis Regulation and Tax Act.

1           (ss) Data reported by an employer to the Department of  
2 Human Rights pursuant to Section 2-108 of the Illinois  
3 Human Rights Act.

4           (tt) Recordings made under the Children's Advocacy  
5 Center Act, except to the extent authorized under that  
6 Act.

7           (uu) Information that is exempt from disclosure under  
8 Section 50 of the Sexual Assault Evidence Submission Act.

9           (vv) Information that is exempt from disclosure under  
10 subsections (f) and (j) of Section 5-36 of the Illinois  
11 Public Aid Code.

12           (ww) Information that is exempt from disclosure under  
13 Section 16.8 of the State Treasurer Act.

14           (xx) Information that is exempt from disclosure or  
15 information that shall not be made public under the  
16 Illinois Insurance Code.

17           (yy) Information prohibited from being disclosed under  
18 the Illinois Educational Labor Relations Act.

19           (zz) Information prohibited from being disclosed under  
20 the Illinois Public Labor Relations Act.

21           (aaa) Information prohibited from being disclosed  
22 under Section 1-167 of the Illinois Pension Code.

23           (bbb) Information that is prohibited from disclosure  
24 by the Illinois Police Training Act and the Illinois State  
25 Police Act.

26           (ccc) Records exempt from disclosure under Section

1 2605-304 of the Illinois State Police Law of the Civil  
2 Administrative Code of Illinois.

3 (ddd) Information prohibited from being disclosed  
4 under Section 35 of the Address Confidentiality for  
5 Victims of Domestic Violence, Sexual Assault, Human  
6 Trafficking, or Stalking Act.

7 (eee) Information prohibited from being disclosed  
8 under subsection (b) of Section 75 of the Domestic  
9 Violence Fatality Review Act.

10 (fff) Images from cameras under the Expressway Camera  
11 Act. This subsection (fff) is inoperative on and after  
12 July 1, 2025.

13 (ggg) Information prohibited from disclosure under  
14 paragraph (3) of subsection (a) of Section 14 of the Nurse  
15 Agency Licensing Act.

16 (hhh) Information submitted to the Illinois State  
17 Police in an affidavit or application for an assault  
18 weapon endorsement, assault weapon attachment endorsement,  
19 .50 caliber rifle endorsement, or .50 caliber cartridge  
20 endorsement under the Firearm Owners Identification Card  
21 Act.

22 (iii) Data exempt from disclosure under Section 50 of  
23 the School Safety Drill Act.

24 (jjj) ~~(hhh)~~ Information exempt from disclosure under  
25 Section 30 of the Insurance Data Security Law.

26 (kkk) ~~(iii)~~ Confidential business information

1 prohibited from disclosure under Section 45 of the Paint  
2 Stewardship Act.

3 (lll) ~~(iii)~~ Data exempt from disclosure under Section  
4 2-3.196 of the School Code.

5 (mmm) ~~(iii)~~ Information prohibited from being  
6 disclosed under subsection (e) of Section 1-129 of the  
7 Illinois Power Agency Act.

8 (nnn) Materials received by the Department of Commerce  
9 and Economic Opportunity that are confidential under the  
10 Music and Musicians Tax Credit and Jobs Act.

11 (Source: P.A. 102-36, eff. 6-25-21; 102-237, eff. 1-1-22;  
12 102-292, eff. 1-1-22; 102-520, eff. 8-20-21; 102-559, eff.  
13 8-20-21; 102-813, eff. 5-13-22; 102-946, eff. 7-1-22;  
14 102-1042, eff. 6-3-22; 102-1116, eff. 1-10-23; 103-8, eff.  
15 6-7-23; 103-34, eff. 6-9-23; 103-142, eff. 1-1-24; 103-372,  
16 eff. 1-1-24; 103-472, eff. 8-1-24; 103-508, eff. 8-4-23;  
17 103-580, eff. 12-8-23; revised 1-2-24.)

18 Section 52-5. The Illinois Income Tax Act is amended by  
19 adding Section 241 as follows:

20 (35 ILCS 5/241 new)

21 Sec. 241. Music and Musicians Tax Credits and Jobs Act.  
22 Taxpayers who have been awarded a credit under the Music and  
23 Musicians Tax Credits and Jobs Act are entitled to a credit  
24 against the taxes imposed by subsections (a) and (b) of

1 Section 201 of this Act in an amount determined by the  
2 Department of Commerce and Economic Opportunity under that  
3 Act. The credit shall be claimed in the taxable year in which  
4 the tax credit award certificate is issued, and the  
5 certificate shall be attached to the return. If the taxpayer  
6 is a partnership or Subchapter S corporation, the credit shall  
7 be allowed to the partners or shareholders in accordance with  
8 the provisions of Section 251.

9 The credit may not reduce the taxpayer's liability to less  
10 than zero. If the amount of the credit exceeds the tax  
11 liability for the year, the excess may be carried forward and  
12 applied to the tax liability of the 5 taxable years following  
13 the excess credit year. The credit shall be applied to the  
14 earliest year for which there is a tax liability. If there are  
15 credits from more than one tax year that are available to  
16 offset a liability, the earlier credit shall be applied first.

17 ARTICLE 55.

18 Section 55-5. The Illinois Income Tax Act is amended by  
19 changing Section 216 as follows:

20 (35 ILCS 5/216)

21 Sec. 216. Credit for wages paid to returning citizens  
22 ~~ex felons.~~

23 (a) For each taxable year beginning on or after January 1,



1 2007, each taxpayer is entitled to a credit against the tax  
2 imposed by subsections (a) and (b) of Section 201 of this Act  
3 in an amount equal to 5% of qualified wages paid by the  
4 taxpayer during the taxable year to one or more Illinois  
5 residents who are qualified returning citizens ~~ex-offenders~~.  
6 For each taxable year beginning on or after January 1, 2025,  
7 each taxpayer is entitled to a credit against the tax imposed  
8 by subsections (a) and (b) of Section 201 of this Act in an  
9 amount equal to 15% of qualified wages paid by the taxpayer  
10 during the taxable year to one or more Illinois residents who  
11 are qualified returning citizens. The total credit allowed to  
12 a taxpayer with respect to each qualified returning citizen  
13 ~~ex-offender~~ may not exceed \$1,500 for ~~all~~ taxable years ending  
14 on or before December 31, 2024. For taxable years ending on or  
15 after December 31, 2025, the total credit allowed to a  
16 taxpayer with respect to each qualified returning citizen may  
17 not exceed \$7,500. For taxable years ending on or after  
18 December 31, 2025, the total amount in credit that may be  
19 awarded under this Section may not exceed \$1,000,000 per  
20 taxable year. For taxable years ending before December 31,  
21 2023, for partners, shareholders of Subchapter S corporations,  
22 and owners of limited liability companies, if the liability  
23 company is treated as a partnership for purposes of federal  
24 and State income taxation, there shall be allowed a credit  
25 under this Section to be determined in accordance with the  
26 determination of income and distributive share of income under

1 Sections 702 and 704 and Subchapter S of the Internal Revenue  
2 Code. For taxable years ending on or after December 31, 2023,  
3 partners and shareholders of subchapter S corporations are  
4 entitled to a credit under this Section as provided in Section  
5 251.

6 (b) For purposes of this Section, "qualified wages":

7 (1) includes only wages that are subject to federal  
8 unemployment tax under Section 3306 of the Internal  
9 Revenue Code, without regard to any dollar limitation  
10 contained in that Section;

11 (2) does not include any amounts paid or incurred by  
12 an employer for any period to any qualified returning  
13 citizen ~~ex-offender~~ for whom the employer receives  
14 federally funded payments for on-the-job training of that  
15 qualified returning citizen ~~ex-offender~~ for that period;  
16 and

17 (3) includes only wages attributable to service  
18 rendered during the one-year period beginning with the day  
19 the qualified returning citizen ~~ex-offender~~ begins work  
20 for the employer.

21 If the taxpayer has received any payment from a program  
22 established under Section 482(e)(1) of the federal Social  
23 Security Act with respect to a qualified returning citizen  
24 ~~ex-offender~~, then, for purposes of calculating the credit  
25 under this Section, the amount of the qualified wages paid to  
26 that qualified ex-offender must be reduced by the amount of

1 the payment.

2 (c) For purposes of this Section, "qualified returning  
3 citizen ~~ex-offender~~" means any person who:

4 (1) has been convicted of a crime in this State or of  
5 an offense in any other jurisdiction, not including any  
6 offense or attempted offense that would subject a person  
7 to registration under the Sex Offender Registration Act;

8 (2) was sentenced to a period of incarceration in an  
9 Illinois adult correctional center; and

10 (3) was hired by the taxpayer within 3 years after  
11 being released from an Illinois adult correctional center  
12 if the credit is claimed for a taxable year beginning on or  
13 before January 1, 2024, or was hired by the taxpayer  
14 within 5 years after being released from an Illinois adult  
15 correctional center if the credit is claimed for a taxable  
16 year beginning on or after January 1, 2025.

17 (d) In no event shall a credit under this Section reduce  
18 the taxpayer's liability to less than zero. If the amount of  
19 the credit exceeds the tax liability for the year, the excess  
20 may be carried forward and applied to the tax liability of the  
21 5 taxable years following the excess credit year. The tax  
22 credit shall be applied to the earliest year for which there is  
23 a tax liability. If there are credits for more than one year  
24 that are available to offset a liability, the earlier credit  
25 shall be applied first.

26 (e) This Section is exempt from the provisions of Section

1 250.

2 (Source: P.A. 103-396, eff. 1-1-24.)

3 ARTICLE 60.

4 Section 60-5. The Illinois Income Tax Act is amended by  
5 changing Section 234 as follows:

6 (35 ILCS 5/234)

7 Sec. 234. Volunteer emergency workers.

8 (a) For taxable years beginning on or after January 1,  
9 2023 and beginning prior to January 1, 2028, each individual  
10 who (i) serves as a volunteer emergency worker for at least 9  
11 months during the taxable year and (ii) does not receive  
12 compensation for his or her services as a volunteer emergency  
13 worker of more than \$5,000 for the taxable year may apply to  
14 the Department for a credit against the taxes imposed by  
15 subsections (a) and (b) of Section 201. The amount of the  
16 credit shall be \$500 per eligible individual. If a taxpayer  
17 described in this subsection (a) is a volunteer member of a  
18 county or municipal emergency services and disaster agency  
19 under the Illinois Emergency Management Agency Act, then the  
20 taxpayer must serve as a volunteer emergency worker with the  
21 county or municipal emergency services and disaster agency for  
22 at least 100 hours during the taxable year. The aggregate  
23 amount of all tax credits awarded by the Department under this

1 Section in any calendar year may not exceed \$5,000,000.  
2 Credits shall be awarded on a first-come first-served basis.

3 (b) A credit under this Section may not reduce a  
4 taxpayer's liability to less than zero.

5 (c) By January 24 of each year, the Office of the State  
6 Fire Marshal shall provide the Department of Revenue an  
7 electronic file with the names of volunteer emergency workers,  
8 other than volunteer emergency workers who are volunteer  
9 members of a county or municipal emergency services and  
10 disaster agency under the Illinois Emergency Management Agency  
11 Act, who (i) volunteered for at least 9 months during the  
12 immediately preceding calendar year, (ii) did not receive  
13 compensation for their services as a volunteer emergency  
14 worker of more than \$5,000 during the immediately preceding  
15 calendar year, and (iii) are registered with the Office of the  
16 State Fire Marshal as of January 12 of the current year as  
17 meeting the requirements of items (i) and (ii) for the  
18 immediately preceding calendar year. The chief of the fire  
19 department, fire protection district, or fire protection  
20 association shall be responsible for notifying the State Fire  
21 Marshal of the volunteer emergency workers who met the  
22 requirements of items (i) and (ii) during the immediately  
23 preceding calendar year by January 12 of the current year.  
24 Notification shall be required in the format required by the  
25 State Fire Marshal. The chief of the fire department, fire  
26 protection district, or fire protection association shall be

1 responsible for the verification and accuracy of their  
2 submission to the State Fire Marshal under this subsection.

3 By January 24, 2025, and by January 24 of each year  
4 thereafter, the Illinois Emergency Management Agency and  
5 Office of Homeland Security shall provide the Department of  
6 Revenue an electronic file with the names of volunteer  
7 emergency workers who (A) volunteered with a county or  
8 municipal emergency services and disaster agency pursuant to  
9 the Illinois Emergency Management Agency Act for at least 9  
10 months during the immediately preceding calendar year, (B) did  
11 not receive compensation for their services as a volunteer  
12 emergency worker of more than \$5,000 during the immediately  
13 preceding calendar year, (C) volunteered with a county or  
14 municipal emergency services and disaster agency pursuant to  
15 the Illinois Emergency Management Agency Act for at least 100  
16 hours during the immediately preceding calendar year, and (D)  
17 are registered with the Illinois Emergency Management Agency  
18 and Office of Homeland Security as of January 12 of the current  
19 year as meeting the requirements of items (A), (B), and (C) for  
20 the immediately preceding calendar year. The coordinator of  
21 the emergency services and disaster agency shall be  
22 responsible for notifying the Illinois Emergency Management  
23 Agency and Office of Homeland Security of the volunteer  
24 emergency workers who met the requirements of items (A), (B),  
25 and (C) during the immediately preceding calendar year by  
26 January 12 of the current year. Notification shall be in the

1 format required by the Illinois Emergency Management Agency  
2 and Office of Homeland Security. The coordinator of the  
3 emergency services and disaster agency shall be responsible  
4 for the verification and accuracy of their submission to the  
5 Illinois Emergency Management Agency and Office of Homeland  
6 Security under this subsection.

7 (d) As used in this Section, "volunteer emergency worker"  
8 means a person who serves as a member, other than on a  
9 full-time career basis, of a fire department, fire protection  
10 district, or fire protection association that has a Fire  
11 Department Identification Number issued by the Office of the  
12 State Fire Marshal and who does not serve as a member on a  
13 full-time career basis for another fire department, fire  
14 protection district, fire protection association, or  
15 governmental entity. For taxable years beginning on or after  
16 January 1, 2024, "volunteer emergency worker" also means a  
17 person who is a volunteer member of a county or municipal  
18 emergency services and disaster agency pursuant to the  
19 Illinois Emergency Management Agency Act.

20 (e) The Department shall adopt rules to implement and  
21 administer this Section, including rules concerning  
22 applications for the tax credit.

23 (Source: P.A. 103-9, eff. 6-7-23.)

1 Section 65-5. The Hotel Operators' Occupation Tax Act is  
2 amended by changing Sections 2, 3, 4, 5, and 6 and by adding  
3 Sections 3-2 and 3-3 as follows:

4 (35 ILCS 145/2) (from Ch. 120, par. 481b.32)

5 Sec. 2. Definitions. As used in this Act, unless the  
6 context otherwise requires:

7 (1) "Hotel" means any building or buildings in which the  
8 public may, for a consideration, obtain living quarters,  
9 sleeping or housekeeping accommodations. The term includes,  
10 but is not limited to, inns, motels, tourist homes or courts,  
11 lodging houses, rooming houses and apartment houses, retreat  
12 centers, conference centers, and hunting lodges. For the  
13 purposes of re-renters of hotel rooms only, "hotel" does not  
14 include a short-term rental.

15 (2) "Operator" means any person engaged in the business of  
16 renting, leasing, or letting rooms in ~~operating~~ a hotel.

17 (3) "Occupancy" means the use or possession, or the right  
18 to the use or possession, of any room or rooms in a hotel for  
19 any purpose, or the right to the use or possession of the  
20 furnishings or to the services and accommodations accompanying  
21 the use and possession of the room or rooms.

22 (4) "Room" or "rooms" means any living quarters, sleeping  
23 or housekeeping accommodations.

24 (5) "Permanent resident" means any person who occupied or  
25 has the right to occupy any room or rooms, regardless of



1 whether or not it is the same room or rooms, in a hotel for at  
2 least 30 consecutive days.

3 (6) "Rent" or "rental" means the consideration received  
4 for occupancy, valued in money, whether received in money or  
5 otherwise, including all receipts, cash, credits and property  
6 or services of any kind or nature. "Rent" or "rental" includes  
7 any fee, charge, or commission received from a guest by a  
8 re-renter of hotel rooms specifically in connection with the  
9 re-rental of hotel rooms, but does not include any fee,  
10 charge, or commission received from a short-term rental by a  
11 hosting platform.

12 (7) "Department" means the Department of Revenue.

13 (8) "Person" means any natural individual, firm,  
14 partnership, association, joint stock company, joint  
15 adventure, public or private corporation, limited liability  
16 company, or a receiver, executor, trustee, guardian or other  
17 representative appointed by order of any court.

18 (9) "Re-renter of hotel rooms" means a person who is not  
19 employed by the hotel operator but who, either directly or  
20 indirectly, through agreements or arrangements with third  
21 parties, collects or processes the payment of rent for a hotel  
22 room located in this State and (i) obtains the right or  
23 authority to grant control of, access to, or occupancy of a  
24 hotel room in this State to a guest of the hotel or (ii)  
25 facilitates the booking of a hotel room located in this State.  
26 A person who obtains those rights or authorities is not

1 considered a re-renter of a hotel room if the person operates  
2 under a shared hotel brand with the operator.

3 (10) "Hosting platform" or "platform" means a person who  
4 provides an online application, software, website, or system  
5 through which a short-term rental located in this State is  
6 advertised or held out to the public as available to rent for  
7 occupancy. For purposes of this definition, "short-term  
8 rental" means an owner-occupied, tenant-occupied, or  
9 non-owner-occupied dwelling, including, but not limited to, an  
10 apartment, house, cottage, or condominium, located in this  
11 State, where: (i) at least one room in the dwelling is rented  
12 to an occupant for a period of less than 30 consecutive days;  
13 and (ii) all accommodations are reserved in advance; provided,  
14 however, that a dwelling shall be considered a single room if  
15 rented as such.

16 (11) "Shared hotel brand" means an identifying trademark  
17 that a hotel operator is expressly licensed to operate under  
18 in accordance with the terms of a hotel franchise or  
19 management agreement

20 (Source: P.A. 100-213, eff. 8-18-17.)

21 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

22 Sec. 3. Rate; exemptions.

23 (a) A tax is imposed upon hotel operators ~~persons engaged~~  
24 ~~in the business of renting, leasing or letting rooms in a hotel~~  
25 at the rate of 5% of 94% of the gross rental receipts from

1 engaging in business as a hotel operator ~~such renting, leasing~~  
2 ~~or letting,~~ excluding, however, from gross rental receipts,  
3 the proceeds of ~~such~~ renting, leasing or letting hotel rooms  
4 to permanent residents of a ~~that~~ hotel and proceeds from the  
5 tax imposed under subsection (c) of Section 13 of the  
6 Metropolitan Pier and Exposition Authority Act.

7 (b) There shall be imposed an additional tax upon hotel  
8 operators ~~persons engaged in the business of renting, leasing~~  
9 ~~or letting rooms in a hotel~~ at the rate of 1% of 94% of the  
10 gross rental receipts received by the hotel operator from  
11 engaging in business as a hotel operator ~~from such renting,~~  
12 ~~leasing or letting,~~ excluding, however, from gross rental  
13 receipts, the proceeds of such renting, leasing or letting to  
14 permanent residents of that hotel and proceeds from the tax  
15 imposed under subsection (c) of Section 13 of the Metropolitan  
16 Pier and Exposition Authority Act.

17 (b-5) Beginning on July 1, 2024, if the renting, leasing,  
18 or letting of a hotel room is done through a re-renter of hotel  
19 rooms, then, subject to the provisions of Sections 3-2 and  
20 3-3, the re-renter is the hotel operator for the purposes of  
21 the taxes under subsections (a) and (b). If the re-renter is  
22 headquartered outside of this State and has no presence in  
23 this State other than its business as a re-renter, conducted  
24 remotely, then, subject to the provisions of Sections 3-2 and  
25 3-3, such re-renter is the hotel operator for the purposes of  
26 the taxes under subsections (a) and (b) if it meets one of the

1 following thresholds:

2 (1) the cumulative gross receipts from rentals in  
3 Illinois by the re-renter of hotel rooms are \$100,000 or  
4 more; or

5 (2) the re-renter of hotel rooms cumulatively enters  
6 into 200 or more separate transactions for rentals in  
7 Illinois.

8 A re-renter of hotel rooms who is headquartered outside of  
9 this State and has no presence in this State other than its  
10 business as a re-renter, conducted remotely, shall determine  
11 on a quarterly basis, ending on the last day of March, June,  
12 September, and December, whether he or she meets the threshold  
13 of either paragraph (1) or (2) of this subsection (b-5) for the  
14 preceding 12-month period. If such re-renter of hotel rooms  
15 meets the threshold of either paragraph (1) or (2) for a  
16 12-month period, he or she is subject to tax under this Act and  
17 is required to remit the tax imposed under this Act and file  
18 returns for the 12-month period beginning on the first day of  
19 the next month after he or she determines that he or she meets  
20 the threshold of paragraph (1) or (2). At the end of that  
21 12-month period, such re-renter of hotel rooms shall determine  
22 whether he or she continued to meet the threshold of either  
23 paragraph (1) or (2) during the preceding 12-month period. If  
24 he or she met the threshold in either paragraph (1) or (2) for  
25 the preceding 12-month period, he or she is a hotel operator in  
26 this State and is required to remit the tax imposed under this

1 Act and file returns for the subsequent 12-month period. If,  
2 at the end of a 12-month period during which such re-renter is  
3 required to remit the tax imposed under this Act, the  
4 re-renter determines that he or she did not meet the threshold  
5 in either paragraph (1) or (2) during the preceding 12-month  
6 period, he or she shall subsequently determine on a quarterly  
7 basis, ending on the last day of March, June, September, and  
8 December, whether he or she meets the threshold of either  
9 paragraph (1) or (2) for the preceding 12-month period.

10 (c) No funds received pursuant to this Act shall be used to  
11 advertise for or otherwise promote new competition in the  
12 hotel business.

13 (d) However, such tax is not imposed upon the privilege of  
14 engaging in any business in Interstate Commerce or otherwise,  
15 which business may not, under the Constitution and Statutes of  
16 the United States, be made the subject of taxation by this  
17 State. In addition, the tax is not imposed upon gross rental  
18 receipts for which the hotel operator is prohibited from  
19 obtaining reimbursement for the tax from the customer by  
20 reason of a federal treaty.

21 (d-5) On and after July 1, 2017, the tax imposed by this  
22 Act shall not apply to gross rental receipts received by an  
23 entity that is organized and operated exclusively for  
24 religious purposes and possesses an active Exemption  
25 Identification Number issued by the Department pursuant to the  
26 Retailers' Occupation Tax Act when acting as a hotel operator

1 renting, leasing, or letting rooms:

2 (1) in furtherance of the purposes for which it is  
3 organized; or

4 (2) to entities that (i) are organized and operated  
5 exclusively for religious purposes, (ii) possess an active  
6 Exemption Identification Number issued by the Department  
7 pursuant to the Retailers' Occupation Tax Act, and (iii)  
8 rent the rooms in furtherance of the purposes for which  
9 they are organized.

10 No gross rental receipts are exempt under paragraph (2) of  
11 this subsection (d-5) unless the hotel operator obtains the  
12 active Exemption Identification Number from the exclusively  
13 religious entity to whom it is renting and maintains that  
14 number in its books and records. Gross rental receipts from  
15 all rentals other than those described in items (1) or (2) of  
16 this subsection (d-5) are subject to the tax imposed by this  
17 Act unless otherwise exempt under this Act.

18 This subsection (d-5) is exempt from the sunset provisions  
19 of Section 3-5 of this Act.

20 (d-10) On and after July 1, 2023, the tax imposed by this  
21 Act shall not apply to gross rental receipts received from the  
22 renting, leasing, or letting of rooms to an entity that is  
23 organized and operated exclusively by an organization  
24 chartered by the United States Congress for the purpose of  
25 providing disaster relief and that possesses an active  
26 Exemption Identification Number issued by the Department

1 pursuant to the Retailers' Occupation Tax Act if the renting,  
2 leasing, or letting of the rooms is in furtherance of the  
3 purposes for which the exempt organization is organized. This  
4 subsection (d-10) is exempt from the sunset provisions of  
5 Section 3-5 of this Act.

6 (e) Persons subject to the tax imposed by this Act may  
7 reimburse themselves for their tax liability under this Act by  
8 separately stating such tax as an additional charge, which  
9 charge may be stated in combination, in a single amount, with  
10 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the  
11 Illinois Municipal Code, and Section 25.05-10 of "An Act to  
12 revise the law in relation to counties".

13 (f) If any hotel operator collects an amount (however  
14 designated) which purports to reimburse such operator for  
15 hotel operators' occupation tax liability measured by receipts  
16 which are not subject to hotel operators' occupation tax, or  
17 if any hotel operator, in collecting an amount (however  
18 designated) which purports to reimburse such operator for  
19 hotel operators' occupation tax liability measured by receipts  
20 which are subject to tax under this Act, collects more from the  
21 guest or re-renter ~~customer~~ than the operators' hotel  
22 operators' occupation tax liability in the transaction is, the  
23 guest or re-renter, as applicable, ~~customer~~ shall have a legal  
24 right to claim a refund of such amount from such operator.  
25 However, if such amount is not refunded to the guest or  
26 re-renter, as applicable, ~~customer~~ for any reason, the hotel

1 operator is liable to pay such amount to the Department.

2 (Source: P.A. 103-9, eff. 6-7-23.)

3 (35 ILCS 145/3-2 new)

4 Sec. 3-2. No resale exemption; tax incurred by re-renters  
5 of hotel rooms. A hotel operator who rents, leases, or lets  
6 rooms subject to tax under this Act to a re-renter of hotel  
7 rooms incurs the tax under this Act on the gross rental  
8 receipts it receives from that re-renter of hotel rooms and  
9 cannot claim any resale exemption. In such situations, the  
10 re-renter of hotel rooms incurs tax under this Act on its gross  
11 rental receipts as provided in Section 3 of this Act.

12 (35 ILCS 145/3-3 new)

13 Sec. 3-3. Re-renter of hotel rooms; credit for tax  
14 reimbursement. A re-renter of hotel rooms may take a credit  
15 against the tax it incurs on the rental of a hotel room under  
16 this Act for the amount it paid under subsection (e) of Section  
17 3 of this Act to a hotel operator as reimbursement for the tax  
18 incurred under this Act for the rental of that room for the  
19 purposes of re-rental.

20 (35 ILCS 145/4) (from Ch. 120, par. 481b.34)

21 Sec. 4. Books and records. Every operator shall keep  
22 separate books or records of his business as an operator so as  
23 to show the rents and occupancies taxable under this Act



1 separately from his transactions not taxable under this Act.  
2 If any operator fails to keep such separate books or records,  
3 he shall be liable to tax at the rate designated in Section 3  
4 hereof upon the entire proceeds from his business ~~hotel~~. The  
5 Department may adopt rules that establish requirements,  
6 including record forms and formats, for records required to be  
7 kept and maintained by taxpayers. For purposes of this  
8 Section, "records" means all data maintained by the taxpayer,  
9 including data on paper, microfilm, microfiche or any type of  
10 machine-sensible data compilation.

11 (Source: P.A. 88-480.)

12 (35 ILCS 145/5) (from Ch. 120, par. 481b.35)

13 Sec. 5. Certificate of registration; retailers' occupation  
14 tax registration provisions apply. It shall be unlawful for  
15 any person to engage in ~~the~~ business as a hotel operator ~~of~~  
16 ~~renting, leasing or letting rooms in a hotel~~ in this State  
17 without a certificate of registration from the Department.

18 All of the provisions of Sections 2a and 2b of the  
19 Retailers' Occupation Tax Act, in effect on the effective date  
20 of this Act, as subsequently amended, shall apply to persons  
21 in ~~the~~ business as hotel operators ~~of renting, leasing or~~  
22 ~~letting rooms in a hotel~~ in this State, to the same extent as  
23 if such provisions were included herein.

24 (Source: Laws 1961, p. 1728.)

1 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

2 Sec. 6. Returns; allocation of proceeds ~~Filing of returns~~  
3 ~~and distribution of revenue~~. Except as provided hereinafter in  
4 this Section, on or before the last day of each calendar month,  
5 every person engaged as a hotel operator ~~in the business of~~  
6 ~~renting, leasing or letting rooms in a hotel~~ in this State  
7 during the preceding calendar month shall file a return with  
8 the Department, stating:

9 1. The name of the operator;

10 2. His residence address and the address of his  
11 principal place of business and the address of the  
12 principal place of business (if that is a different  
13 address) from which he engages ~~in the business~~ as a hotel  
14 operator ~~of renting, leasing or letting rooms in a hotel~~  
15 in this State (including, if required by the Department,  
16 the address of each hotel from which rental receipts were  
17 received);

18 3. Total amount of rental receipts received by him  
19 during the preceding calendar month from engaging in  
20 business as a hotel operator ~~renting, leasing or letting~~  
21 ~~rooms~~ during such preceding calendar month;

22 4. Total amount of rental receipts received by him  
23 during the preceding calendar month from renting, leasing  
24 or letting rooms to permanent residents during such  
25 preceding calendar month;

26 5. Total amount of other exclusions from gross rental

1 receipts allowed by this Act;

2 6. Gross rental receipts which were received by him  
3 during the preceding calendar month and upon the basis of  
4 which the tax is imposed;

5 7. The amount of tax due;

6 8. Credit for any reimbursement of tax paid by a  
7 re-renter of hotel rooms to hotel operators for rentals  
8 purchased for re-rental, as provided in Section 3-3 of  
9 this Act;

10 9. ~~8.~~ Such other reasonable information as the  
11 Department may require.

12 If the operator's average monthly tax liability to the  
13 Department does not exceed \$200, the Department may authorize  
14 his returns to be filed on a quarter annual basis, with the  
15 return for January, February and March of a given year being  
16 due by April 30 of such year; with the return for April, May  
17 and June of a given year being due by July 31 of such year;  
18 with the return for July, August and September of a given year  
19 being due by October 31 of such year, and with the return for  
20 October, November and December of a given year being due by  
21 January 31 of the following year.

22 If the operator's average monthly tax liability to the  
23 Department does not exceed \$50, the Department may authorize  
24 his returns to be filed on an annual basis, with the return for  
25 a given year being due by January 31 of the following year.

26 Such quarter annual and annual returns, as to form and

1 substance, shall be subject to the same requirements as  
2 monthly returns.

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

10 Where the same person has more than 1 business registered  
11 with the Department under separate registrations under this  
12 Act, such person shall not file each return that is due as a  
13 single return covering all such registered businesses, but  
14 shall file separate returns for each such registered business.

15 In his return, the operator shall determine the value of  
16 any consideration other than money received by him in  
17 connection with engaging in business as a hotel operator ~~the~~  
18 ~~renting, leasing or letting of rooms in the course of his~~  
19 ~~business~~ and he shall include such value in his return. Such  
20 determination shall be subject to review and revision by the  
21 Department in the manner hereinafter provided for the  
22 correction of returns.

23 Where the operator is a corporation, the return filed on  
24 behalf of such corporation shall be signed by the president,  
25 vice-president, secretary or treasurer or by the properly  
26 accredited agent of such corporation.

1           The person filing the return herein provided for shall, at  
2 the time of filing such return, pay to the Department the  
3 amount of tax herein imposed. The operator filing the return  
4 under this Section shall, at the time of filing such return,  
5 pay to the Department the amount of tax imposed by this Act  
6 less a discount of 2.1% or \$25 per calendar year, whichever is  
7 greater, which is allowed to reimburse the operator for the  
8 expenses incurred in keeping records, preparing and filing  
9 returns, remitting the tax and supplying data to the  
10 Department on request.

11           If any payment provided for in this Section exceeds the  
12 operator's liabilities under this Act, as shown on an original  
13 return, the Department may authorize the operator to credit  
14 such excess payment against liability subsequently to be  
15 remitted to the Department under this Act, in accordance with  
16 reasonable rules adopted by the Department. If the Department  
17 subsequently determines that all or any part of the credit  
18 taken was not actually due to the operator, the operator's  
19 discount shall be reduced by an amount equal to the difference  
20 between the discount as applied to the credit taken and that  
21 actually due, and that operator shall be liable for penalties  
22 and interest on such difference.

23           There shall be deposited into the Build Illinois Fund in  
24 the State Treasury for each State fiscal year 40% of the amount  
25 of total net revenue from the tax imposed by subsection (a) of  
26 Section 3. Of the remaining 60%: (i) \$5,000,000 shall be

1 deposited into the Illinois Sports Facilities Fund and  
2 credited to the Subsidy Account each fiscal year by making  
3 monthly deposits in the amount of 1/8 of \$5,000,000 plus  
4 cumulative deficiencies in such deposits for prior months, and  
5 (ii) an amount equal to the then applicable Advance Amount  
6 shall be deposited into the Illinois Sports Facilities Fund  
7 and credited to the Advance Account each fiscal year by making  
8 monthly deposits in the amount of 1/8 of the then applicable  
9 Advance Amount plus any cumulative deficiencies in such  
10 deposits for prior months. (The deposits of the then  
11 applicable Advance Amount during each fiscal year shall be  
12 treated as advances of funds to the Illinois Sports Facilities  
13 Authority for its corporate purposes to the extent paid to the  
14 Authority or its trustee and shall be repaid into the General  
15 Revenue Fund in the State Treasury by the State Treasurer on  
16 behalf of the Authority pursuant to Section 19 of the Illinois  
17 Sports Facilities Authority Act, as amended. If in any fiscal  
18 year the full amount of the then applicable Advance Amount is  
19 not repaid into the General Revenue Fund, then the deficiency  
20 shall be paid from the amount in the Local Government  
21 Distributive Fund that would otherwise be allocated to the  
22 City of Chicago under the State Revenue Sharing Act.)

23 For purposes of the foregoing paragraph, the term "Advance  
24 Amount" means, for fiscal year 2002, \$22,179,000, and for  
25 subsequent fiscal years through fiscal year 2033, 105.615% of  
26 the Advance Amount for the immediately preceding fiscal year,

1 rounded up to the nearest \$1,000.

2 Of the remaining 60% of the amount of total net revenue  
3 beginning on August 1, 2011 through June 30, 2023, from the tax  
4 imposed by subsection (a) of Section 3 after all required  
5 deposits into the Illinois Sports Facilities Fund, an amount  
6 equal to 8% of the net revenue realized from this Act during  
7 the preceding month shall be deposited as follows: 18% of such  
8 amount shall be deposited into the Chicago Travel Industry  
9 Promotion Fund for the purposes described in subsection (n) of  
10 Section 5 of the Metropolitan Pier and Exposition Authority  
11 Act and the remaining 82% of such amount shall be deposited  
12 into the Local Tourism Fund each month for purposes authorized  
13 by Section 605-705 of the Department of Commerce and Economic  
14 Opportunity Law. Beginning on August 1, 2011 and through June  
15 30, 2023, an amount equal to 4.5% of the net revenue realized  
16 from this Act during the preceding month shall be deposited as  
17 follows: 55% of such amount shall be deposited into the  
18 Chicago Travel Industry Promotion Fund for the purposes  
19 described in subsection (n) of Section 5 of the Metropolitan  
20 Pier and Exposition Authority Act and the remaining 45% of  
21 such amount deposited into the International Tourism Fund for  
22 the purposes authorized in Section 605-707 of the Department  
23 of Commerce and Economic Opportunity Law. "Net revenue  
24 realized" means the revenue collected by the State under this  
25 Act less the amount paid out as refunds to taxpayers for  
26 overpayment of liability under this Act.

1           Beginning on July 1, 2023, of the remaining 60% of the  
2 amount of total net revenue realized from the tax imposed  
3 under subsection (a) of Section 3, after all required deposits  
4 into the Illinois Sports Facilities Fund:

5           (1) an amount equal to 8% of the net revenue realized  
6 under this Act for the preceding month shall be deposited  
7 as follows: 82% to the Local Tourism Fund and 18% to the  
8 Chicago Travel Industry Promotion Fund; and

9           (2) an amount equal to 4.5% of the net revenue  
10 realized under this Act for the preceding month shall be  
11 deposited as follows: 55% to the Chicago Travel Industry  
12 Promotion Fund and 45% to the International Tourism Fund.

13           After making all these deposits, any remaining net revenue  
14 realized from the tax imposed under subsection (a) of Section  
15 3 shall be deposited into the Tourism Promotion Fund in the  
16 State Treasury. All moneys received by the Department from the  
17 additional tax imposed under subsection (b) of Section 3 shall  
18 be deposited into the Build Illinois Fund in the State  
19 Treasury.

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



1 tax return. If the total receipts of the business as reported  
2 in the State income tax return do not agree with the gross  
3 receipts reported to the Department for the same period, the  
4 operator shall attach to his annual information return a  
5 schedule showing a reconciliation of the 2 amounts and the  
6 reasons for the difference. The operator's annual information  
7 return to the Department shall also disclose payroll  
8 information of the operator's business during the year covered  
9 by such return and any additional reasonable information which  
10 the Department deems would be helpful in determining the  
11 accuracy of the monthly, quarterly or annual tax returns by  
12 such operator as hereinbefore provided for in this Section.

13 If the annual information return required by this Section  
14 is not filed when and as required the taxpayer shall be liable  
15 for a penalty in an amount determined in accordance with  
16 Section 3-4 of the Uniform Penalty and Interest Act until such  
17 return is filed as required, the penalty to be assessed and  
18 collected in the same manner as any other penalty provided for  
19 in this Act.

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

1 return may be liable for perjury.

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

6 (Source: P.A. 102-16, eff. 6-17-21; 103-8, eff. 6-7-23.)

7 Section 65-10. The Illinois Municipal Code is amended by  
8 changing Section 8-3-13 as follows:

9 (65 ILCS 5/8-3-13) (from Ch. 24, par. 8-3-13)

10 Sec. 8-3-13. The corporate authorities of any municipality  
11 containing 500,000 or more inhabitants may impose a tax prior  
12 to July 1, 1969, upon all hotel operators ~~persons engaged~~ in  
13 the municipality ~~in the business of renting, leasing or~~  
14 ~~letting rooms in a hotel~~, as defined in the Hotel Operators'  
15 Occupation Tax Act, at a rate not to exceed 1% of the gross  
16 rental receipts from engaging in business as a hotel operator  
17 ~~the renting, leasing or letting~~, excluding, however, from  
18 gross rental receipts, the proceeds of the renting, leasing or  
19 letting of hotel rooms to permanent residents of a ~~that~~ hotel  
20 and proceeds from the tax imposed under subsection (c) of  
21 Section 13 of the Metropolitan Pier and Exposition Authority  
22 Act.

23 The tax imposed by a municipality under this Section and  
24 all civil penalties that may be assessed as an incident

1       thereof shall be collected and enforced by the State  
2       Department of Revenue. The certificate of registration that is  
3       issued by the Department to a lessor under the Hotel  
4       Operators' Occupation Tax Act shall permit the registrant to  
5       engage in a business that is taxable under any ordinance or  
6       resolution enacted under this Section without registering  
7       separately with the Department under the ordinance or  
8       resolution or under this Section. The Department shall have  
9       full power to administer and enforce this Section; to collect  
10      all taxes and penalties due hereunder; to dispose of taxes and  
11      penalties so collected in the manner provided in this Section;  
12      and to determine all rights to credit memoranda arising on  
13      account of the erroneous payment of tax or penalty hereunder.  
14      In the administration of and compliance with this Section, the  
15      Department and persons who are subject to this Section shall  
16      have the same rights, remedies, privileges, immunities, powers  
17      and duties, and be subject to the same conditions,  
18      restrictions, limitations, penalties and definitions of terms,  
19      and employ the same modes of procedure, as are prescribed in  
20      the Hotel Operators' Occupation Tax Act and the Uniform  
21      Penalty and Interest Act, as fully as if the provisions  
22      contained in those Acts were set forth herein.

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 Illinois tourism tax fund.

4 Persons subject to any tax imposed under authority granted  
5 by this Section may reimburse themselves for their tax  
6 liability for that tax by separately stating the tax as an  
7 additional charge, which charge may be stated in combination,  
8 in a single amount, with State tax imposed under the Hotel  
9 Operators' Occupation Tax Act.

10 The Department shall forthwith pay over to the State  
11 Treasurer, ex-officio, as trustee, all taxes and penalties  
12 collected hereunder. On or before the 25th day of each  
13 calendar month, the Department shall prepare and certify to  
14 the Comptroller the disbursement of stated sums of money to  
15 named municipalities from which lessors have paid taxes or  
16 penalties hereunder to the Department during the second  
17 preceding calendar month. The amount to be paid to each  
18 municipality shall be the amount (not including credit  
19 memoranda) collected hereunder during the second preceding  
20 calendar month by the Department, and not including an amount  
21 equal to the amount of refunds made during the second  
22 preceding calendar month by the Department on behalf of the  
23 municipality, less 4% of the balance, which sum shall be  
24 retained by the State Treasurer to cover the costs incurred by  
25 the Department in administering and enforcing the provisions  
26 of this Section, as provided herein. The Department, at the

1 time of each monthly disbursement to the municipalities, shall  
2 prepare and certify to the Comptroller the amount so retained  
3 by the State Treasurer, which shall be paid into the General  
4 Revenue Fund of the State Treasury.

5 Within 10 days after receipt by the Comptroller of the  
6 disbursement certification to the municipalities and the  
7 General Revenue Fund provided for in this Section to be given  
8 to the Comptroller by the Department, the Comptroller shall  
9 cause the warrants to be drawn for the respective amounts in  
10 accordance with the directions contained in the certification.

11 Nothing in this Section shall be construed to authorize a  
12 municipality to impose a tax upon the privilege of engaging in  
13 any business that, under the Constitution of the United  
14 States, may not be made the subject of taxation by this State.

15 An ordinance or resolution imposing a tax hereunder or  
16 effecting a change in the rate thereof shall be effective on  
17 the first day of the calendar month next following the  
18 expiration of the publication period provided in Section 1-2-4  
19 in respect to municipalities governed by that Section.

20 The corporate authorities of any municipality that levies  
21 a tax authorized by this Section shall transmit to the  
22 Department of Revenue on or not later than 5 days after the  
23 effective date of the ordinance or resolution a certified copy  
24 of the ordinance or resolution imposing the tax; whereupon,  
25 the Department of Revenue shall proceed to administer and  
26 enforce this Section on behalf of the municipality as of the

1 effective date of the ordinance or resolution. Upon a change  
2 in rate of a tax levied hereunder, or upon the discontinuance  
3 of the tax, the corporate authorities of the municipality  
4 shall, on or not later than 5 days after the effective date of  
5 the ordinance or resolution discontinuing the tax or effecting  
6 a change in rate, transmit to the Department of Revenue a  
7 certified copy of the ordinance or resolution effecting the  
8 change or discontinuance. The amounts disbursed to any  
9 municipality under this Section shall be expended by the  
10 municipality solely to promote tourism, conventions and other  
11 special events within that municipality or otherwise to  
12 attract nonresidents to visit the municipality.

13 Any municipality receiving and disbursing money under this  
14 Section shall report on or before the first Monday in January  
15 of each year to the Advisory Committee of the Illinois Tourism  
16 Promotion Fund, created by Section 12 of the Illinois  
17 Promotion Act. The reports shall specify the purposes for  
18 which the disbursements were made and shall contain detailed  
19 amounts of all receipts and disbursements under this Section.

20 This Section may be cited as the Tourism, Conventions and  
21 Other Special Events Promotion Act of 1967.

22 (Source: P.A. 87-205; 87-733; 87-895.)

23 Section 65-15. The Metropolitan Pier and Exposition  
24 Authority Act is amended by changing Section 13 as follows:

1 (70 ILCS 210/13) (from Ch. 85, par. 1233)

2 Sec. 13. (a) The Authority shall not have power to levy  
3 taxes for any purpose, except as provided in subsections (b),  
4 (c), (d), (e), and (f).

5 (b) By ordinance the Authority shall, as soon as  
6 practicable after July 1, 1992 (the effective date of Public  
7 Act 87-733), impose a Metropolitan Pier and Exposition  
8 Authority Retailers' Occupation Tax upon all persons engaged  
9 in the business of selling tangible personal property at  
10 retail within the territory described in this subsection at  
11 the rate of 1.0% of the gross receipts (i) from the sale of  
12 food, alcoholic beverages, and soft drinks sold for  
13 consumption on the premises where sold and (ii) from the sale  
14 of food, alcoholic beverages, and soft drinks sold for  
15 consumption off the premises where sold by a retailer whose  
16 principal source of gross receipts is from the sale of food,  
17 alcoholic beverages, and soft drinks prepared for immediate  
18 consumption.

19 The tax imposed under this subsection and all civil  
20 penalties that may be assessed as an incident to that tax shall  
21 be collected and enforced by the Illinois Department of  
22 Revenue. The Department shall have full power to administer  
23 and enforce this subsection, to collect all taxes and  
24 penalties so collected in the manner provided in this  
25 subsection, and to determine all rights to credit memoranda  
26 arising on account of the erroneous payment of tax or penalty

1 under this subsection. In the administration of and compliance  
2 with this subsection, the Department and persons who are  
3 subject to this subsection shall have the same rights,  
4 remedies, privileges, immunities, powers, and duties, shall be  
5 subject to the same conditions, restrictions, limitations,  
6 penalties, exclusions, exemptions, and definitions of terms,  
7 and shall employ the same modes of procedure applicable to  
8 this Retailers' Occupation Tax as are prescribed in Sections  
9 1, 2 through 2-65 (in respect to all provisions of those  
10 Sections other than the State rate of taxes), 2c, 2h, 2i, 3  
11 (except as to the disposition of taxes and penalties  
12 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a,  
13 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and, until January 1, 1994,  
14 13.5 of the Retailers' Occupation Tax Act, and, on and after  
15 January 1, 1994, all applicable provisions of the Uniform  
16 Penalty and Interest Act that are not inconsistent with this  
17 Act, as fully as if provisions contained in those Sections of  
18 the Retailers' Occupation Tax Act were set forth in this  
19 subsection.

20 Persons subject to any tax imposed under the authority  
21 granted in this subsection may reimburse themselves for their  
22 seller's tax liability under this subsection by separately  
23 stating that tax as an additional charge, which charge may be  
24 stated in combination, in a single amount, with State taxes  
25 that sellers are required to collect under the Use Tax Act,  
26 pursuant to bracket schedules as the Department may prescribe.



1 The retailer filing the return shall, at the time of filing the  
2 return, pay to the Department the amount of tax imposed under  
3 this subsection, less a discount of 1.75%, which is allowed to  
4 reimburse the retailer for the expenses incurred in keeping  
5 records, preparing and filing returns, remitting the tax, and  
6 supplying data to the Department on request.

7 Whenever the Department determines that a refund should be  
8 made under this subsection to a claimant instead of issuing a  
9 credit memorandum, the Department shall notify the State  
10 Comptroller, who shall cause a 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 Metropolitan Pier and Exposition  
14 Authority trust fund held by the State Treasurer as trustee  
15 for the Authority.

16 Nothing in this subsection authorizes the Authority to  
17 impose a tax upon the privilege of engaging in any business  
18 that under the Constitution of the United States may not be  
19 made the subject of taxation by this State.

20 The Department shall forthwith pay over to the State  
21 Treasurer, ex officio, as trustee for the Authority, all taxes  
22 and penalties collected under this subsection for deposit into  
23 a trust fund held outside of the State Treasury.

24 As soon as possible after the first day of each month,  
25 beginning January 1, 2011, upon certification of the  
26 Department of Revenue, the Comptroller shall order

1 transferred, and the Treasurer shall transfer, to the STAR  
2 Bonds Revenue Fund the local sales tax increment, as defined  
3 in the Innovation Development and Economy Act, collected under  
4 this subsection during the second preceding calendar month for  
5 sales within a STAR bond district.

6 After the monthly transfer to the STAR Bonds Revenue Fund,  
7 on or before the 25th day of each calendar month, the  
8 Department shall prepare and certify to the Comptroller the  
9 amounts to be paid under subsection (g) of this Section, which  
10 shall be the amounts, not including credit memoranda,  
11 collected under this subsection during the second preceding  
12 calendar month by the Department, less any amounts determined  
13 by the Department to be necessary for the payment of refunds,  
14 less 1.5% of such balance, which sum shall be deposited by the  
15 State Treasurer into the Tax Compliance and Administration  
16 Fund in the State Treasury from which it shall be appropriated  
17 to the Department to cover the costs of the Department in  
18 administering and enforcing the provisions of this subsection,  
19 and less any amounts that are transferred to the STAR Bonds  
20 Revenue Fund. Within 10 days after receipt by the Comptroller  
21 of the certification, the Comptroller shall cause the orders  
22 to be drawn for the remaining amounts, and the Treasurer shall  
23 administer those amounts as required in subsection (g).

24 A certificate of registration issued by the Illinois  
25 Department of Revenue to a retailer under the Retailers'  
26 Occupation Tax Act shall permit the registrant to engage in a

1 business that is taxed under the tax imposed under this  
2 subsection, and no additional registration shall be required  
3 under the ordinance imposing the tax or under this subsection.

4 A certified copy of any ordinance imposing or  
5 discontinuing any tax under this subsection or effecting a  
6 change in the rate of that tax shall be filed with the  
7 Department, whereupon the Department shall proceed to  
8 administer and enforce this subsection on behalf of the  
9 Authority as of the first day of the third calendar month  
10 following the date of filing.

11 The tax authorized to be levied under this subsection may  
12 be levied within all or any part of the following described  
13 portions of the metropolitan area:

14 (1) that portion of the City of Chicago located within  
15 the following area: Beginning at the point of intersection  
16 of the Cook County - DuPage County line and York Road, then  
17 North along York Road to its intersection with Touhy  
18 Avenue, then east along Touhy Avenue to its intersection  
19 with the Northwest Tollway, then southeast along the  
20 Northwest Tollway to its intersection with Lee Street,  
21 then south along Lee Street to Higgins Road, then south  
22 and east along Higgins Road to its intersection with  
23 Mannheim Road, then south along Mannheim Road to its  
24 intersection with Irving Park Road, then west along Irving  
25 Park Road to its intersection with the Cook County -  
26 DuPage County line, then north and west along the county

1 line to the point of beginning; and

2 (2) that portion of the City of Chicago located within  
3 the following area: Beginning at the intersection of West  
4 55th Street with Central Avenue, then east along West 55th  
5 Street to its intersection with South Cicero Avenue, then  
6 south along South Cicero Avenue to its intersection with  
7 West 63rd Street, then west along West 63rd Street to its  
8 intersection with South Central Avenue, then north along  
9 South Central Avenue to the point of beginning; and

10 (3) that portion of the City of Chicago located within  
11 the following area: Beginning at the point 150 feet west  
12 of the intersection of the west line of North Ashland  
13 Avenue and the north line of West Diversey Avenue, then  
14 north 150 feet, then east along a line 150 feet north of  
15 the north line of West Diversey Avenue extended to the  
16 shoreline of Lake Michigan, then following the shoreline  
17 of Lake Michigan (including Navy Pier and all other  
18 improvements fixed to land, docks, or piers) to the point  
19 where the shoreline of Lake Michigan and the Adlai E.  
20 Stevenson Expressway extended east to that shoreline  
21 intersect, then west along the Adlai E. Stevenson  
22 Expressway to a point 150 feet west of the west line of  
23 South Ashland Avenue, then north along a line 150 feet  
24 west of the west line of South and North Ashland Avenue to  
25 the point of beginning.

26 The tax authorized to be levied under this subsection may

1 also be levied on food, alcoholic beverages, and soft drinks  
2 sold on boats and other watercraft departing from and  
3 returning to the shoreline of Lake Michigan (including Navy  
4 Pier and all other improvements fixed to land, docks, or  
5 piers) described in item (3).

6 (c) By ordinance the Authority shall, as soon as  
7 practicable after July 1, 1992 (the effective date of Public  
8 Act 87-733), impose an occupation tax upon all hotel operators  
9 ~~persons engaged in the corporate limits of the City of Chicago~~  
10 ~~in the business of renting, leasing, or letting rooms in a~~  
11 ~~hotel~~, as defined in the Hotel Operators' Occupation Tax Act,  
12 at a rate of 2.5% of the gross rental receipts from engaging in  
13 business as a hotel operator ~~the renting, leasing, or letting~~  
14 ~~of hotel rooms~~ within the City of Chicago, excluding, however,  
15 from gross rental receipts the proceeds of renting, leasing,  
16 or letting of hotel rooms to permanent residents of a hotel, as  
17 defined in that Act. Gross rental receipts shall not include  
18 charges that are added on account of the liability arising  
19 from any tax imposed by the State or any governmental agency on  
20 the occupation of renting, leasing, or letting rooms in a  
21 hotel.

22 The tax imposed by the Authority under this subsection and  
23 all civil penalties that may be assessed as an incident to that  
24 tax shall be collected and enforced by the Illinois Department  
25 of Revenue. The certificate of registration that is issued by  
26 the Department to a lessor under the Hotel Operators'

1 Occupation Tax Act shall permit that registrant to engage in a  
2 business that is taxable under any ordinance enacted under  
3 this subsection without registering separately with the  
4 Department under that ordinance or under this subsection. The  
5 Department shall have full power to administer and enforce  
6 this subsection, to collect all taxes and penalties due under  
7 this subsection, to dispose of taxes and penalties so  
8 collected in the manner provided in this subsection, and to  
9 determine all rights to credit memoranda arising on account of  
10 the erroneous payment of tax or penalty under this subsection.  
11 In the administration of and compliance with this subsection,  
12 the Department and persons who are subject to this subsection  
13 shall have the same rights, remedies, privileges, immunities,  
14 powers, and duties, shall be subject to the same conditions,  
15 restrictions, limitations, penalties, and definitions of  
16 terms, and shall employ the same modes of procedure as are  
17 prescribed in the Hotel Operators' Occupation Tax Act (except  
18 where that Act is inconsistent with this subsection), as fully  
19 as if the provisions contained in the Hotel Operators'  
20 Occupation Tax Act were set out in this subsection.

21 Whenever the Department determines that a refund should be  
22 made under this subsection to a claimant instead of issuing a  
23 credit memorandum, the Department shall notify the State  
24 Comptroller, who shall cause a warrant to be drawn for the  
25 amount specified and to the person named in the notification  
26 from the Department. The refund shall be paid by the State

1 Treasurer out of the Metropolitan Pier and Exposition  
2 Authority trust fund held by the State Treasurer as trustee  
3 for the Authority.

4 Persons subject to any tax imposed under the authority  
5 granted in this subsection may reimburse themselves for their  
6 tax liability for that tax by separately stating that tax as an  
7 additional charge, which charge may be stated in combination,  
8 in a single amount, with State taxes imposed under the Hotel  
9 Operators' Occupation Tax Act, the municipal tax imposed under  
10 Section 8-3-13 of the Illinois Municipal Code, and the tax  
11 imposed under Section 19 of the Illinois Sports Facilities  
12 Authority Act.

13 The person filing the return shall, at the time of filing  
14 the return, pay to the Department the amount of tax, less a  
15 discount of 2.1% or \$25 per calendar year, whichever is  
16 greater, which is allowed to reimburse the operator for the  
17 expenses incurred in keeping records, preparing and filing  
18 returns, remitting the tax, and supplying data to the  
19 Department on request.

20 Except as otherwise provided in this paragraph, the  
21 Department shall forthwith pay over to the State Treasurer, ex  
22 officio, as trustee for the Authority, all taxes and penalties  
23 collected under this subsection for deposit into a trust fund  
24 held outside the State Treasury. On or before the 25th day of  
25 each calendar month, the Department shall certify to the  
26 Comptroller the amounts to be paid under subsection (g) of

1 this Section, which shall be the amounts (not including credit  
2 memoranda) collected under this subsection during the second  
3 preceding calendar month by the Department, less any amounts  
4 determined by the Department to be necessary for payment of  
5 refunds, less 1.5% of the remainder, which the Department  
6 shall transfer into the Tax Compliance and Administration  
7 Fund. The Department, at the time of each monthly disbursement  
8 to the Authority, shall prepare and certify to the State  
9 Comptroller the amount to be transferred into the Tax  
10 Compliance and Administration Fund under this subsection.  
11 Within 10 days after receipt by the Comptroller of the  
12 Department's certification, the Comptroller shall cause the  
13 orders to be drawn for such amounts, and the Treasurer shall  
14 administer the amounts distributed to the Authority as  
15 required in subsection (g).

16 A certified copy of any ordinance imposing or  
17 discontinuing a tax under this subsection or effecting a  
18 change in the rate of that tax shall be filed with the Illinois  
19 Department of Revenue, whereupon the Department shall proceed  
20 to administer and enforce this subsection on behalf of the  
21 Authority as of the first day of the third calendar month  
22 following the date of filing.

23 (d) By ordinance the Authority shall, as soon as  
24 practicable after July 1, 1992 (the effective date of Public  
25 Act 87-733), impose a tax upon all persons engaged in the  
26 business of renting automobiles in the metropolitan area at



1 the rate of 6% of the gross receipts from that business, except  
2 that no tax shall be imposed on the business of renting  
3 automobiles for use as taxicabs or in livery service. The tax  
4 imposed under this subsection and all civil penalties that may  
5 be assessed as an incident to that tax shall be collected and  
6 enforced by the Illinois Department of Revenue. The  
7 certificate of registration issued by the Department to a  
8 retailer under the Retailers' Occupation Tax Act or under the  
9 Automobile Renting Occupation and Use Tax Act shall permit  
10 that person to engage in a business that is taxable under any  
11 ordinance enacted under this subsection without registering  
12 separately with the Department under that ordinance or under  
13 this subsection. The Department shall have full power to  
14 administer and enforce this subsection, to collect all taxes  
15 and penalties due under this subsection, to dispose of taxes  
16 and 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, be  
23 subject to the same conditions, restrictions, limitations,  
24 penalties, and definitions of terms, and employ the same modes  
25 of procedure as are prescribed in Sections 2 and 3 (in respect  
26 to all provisions of those Sections other than the State rate

1 of tax; and in respect to the provisions of the Retailers'  
2 Occupation Tax Act referred to in those Sections, except as to  
3 the disposition of taxes and penalties collected, except for  
4 the provision allowing retailers a deduction from the tax to  
5 cover certain costs, and except that credit memoranda issued  
6 under this subsection may not be used to discharge any State  
7 tax liability) of the Automobile Renting Occupation and Use  
8 Tax Act, as fully as if provisions contained in those Sections  
9 of that Act were set forth in this subsection.

10 Persons subject to any tax imposed under the authority  
11 granted in this subsection may reimburse themselves for their  
12 tax liability under this subsection by separately stating that  
13 tax as an additional charge, which charge may be stated in  
14 combination, in a single amount, with State tax that sellers  
15 are required to collect under the Automobile Renting  
16 Occupation and Use Tax Act, pursuant to bracket schedules as  
17 the Department may 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 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 and penalties collected under  
4 this subsection for deposit into a trust fund held outside the  
5 State Treasury. On or before the 25th day of each calendar  
6 month, the Department shall certify to the Comptroller the  
7 amounts to be paid under subsection (g) of this Section (not  
8 including credit memoranda) collected under this subsection  
9 during the second preceding calendar month by the Department,  
10 less any amount determined by the Department to be necessary  
11 for payment of refunds, less 1.5% of the remainder, which the  
12 Department shall transfer into the Tax Compliance and  
13 Administration Fund. The Department, at the time of each  
14 monthly disbursement to the Authority, 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 Department's certification, the Comptroller shall cause  
19 the orders to be drawn for such amounts, and the Treasurer  
20 shall administer the amounts distributed to the Authority as  
21 required in subsection (g).

22           Nothing in this subsection authorizes the Authority to  
23 impose a tax upon the privilege of engaging in any business  
24 that under the Constitution of the United States may not be  
25 made the subject of taxation by this State.

26           A certified copy of any ordinance imposing or

1 discontinuing a tax under this subsection or effecting a  
2 change in the rate of that tax shall be filed with the Illinois  
3 Department of Revenue, whereupon the Department shall proceed  
4 to administer and enforce this subsection on behalf of the  
5 Authority as of the first day of the third calendar month  
6 following the date of filing.

7 (e) By ordinance the Authority shall, as soon as  
8 practicable after July 1, 1992 (the effective date of Public  
9 Act 87-733), impose a tax upon the privilege of using in the  
10 metropolitan area an automobile that is rented from a rentor  
11 outside Illinois and is titled or registered with an agency of  
12 this State's government at a rate of 6% of the rental price of  
13 that automobile, except that no tax shall be imposed on the  
14 privilege of using automobiles rented for use as taxicabs or  
15 in livery service. The tax shall be collected from persons  
16 whose Illinois address for titling or registration purposes is  
17 given as being in the metropolitan area. The tax shall be  
18 collected by the Department of Revenue for the Authority. The  
19 tax must be paid to the State or an exemption determination  
20 must be obtained from the Department of Revenue before the  
21 title or certificate of registration for the property may be  
22 issued. The tax or proof of exemption may be transmitted to the  
23 Department by way of the State agency with which or State  
24 officer with whom the tangible personal property must be  
25 titled or registered if the Department and that agency or  
26 State officer determine that this procedure will expedite the

1 processing of applications for title or registration.

2 The Department shall have full power to administer and  
3 enforce this subsection, to collect all taxes, penalties, and  
4 interest due under this subsection, to dispose of taxes,  
5 penalties, and interest so collected in the manner provided in  
6 this subsection, and to determine all rights to credit  
7 memoranda or refunds arising on account of the erroneous  
8 payment of tax, penalty, or interest under this subsection. In  
9 the administration of and compliance with this subsection, the  
10 Department and persons who are subject to this subsection  
11 shall have the same rights, remedies, privileges, immunities,  
12 powers, and duties, be subject to the same conditions,  
13 restrictions, limitations, penalties, and definitions of  
14 terms, and employ the same modes of procedure as are  
15 prescribed in Sections 2 and 4 (except provisions pertaining  
16 to the State rate of tax; and in respect to the provisions of  
17 the Use Tax Act referred to in that Section, except provisions  
18 concerning collection or refunding of the tax by retailers,  
19 except the provisions of Section 19 pertaining to claims by  
20 retailers, except the last paragraph concerning refunds, and  
21 except that credit memoranda issued under this subsection may  
22 not be used to discharge any State tax liability) of the  
23 Automobile Renting Occupation and Use Tax Act, as fully as if  
24 provisions contained in those Sections of that Act were set  
25 forth in this subsection.

26 Whenever the Department determines that a refund should be

1 made under this subsection to a claimant instead of issuing a  
2 credit memorandum, the Department shall notify the State  
3 Comptroller, who shall cause a warrant 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 Metropolitan Pier and Exposition  
7 Authority trust fund held by the State Treasurer as trustee  
8 for the Authority.

9 Except as otherwise provided in this paragraph, the  
10 Department shall forthwith pay over to the State Treasurer, ex  
11 officio, as trustee, all taxes, penalties, and interest  
12 collected under this subsection for deposit into a trust fund  
13 held outside the State Treasury. On or before the 25th day of  
14 each calendar month, the Department shall certify to the State  
15 Comptroller the amounts to be paid under subsection (g) of  
16 this Section, which shall be the amounts (not including credit  
17 memoranda) collected under this subsection during the second  
18 preceding calendar month by the Department, less any amounts  
19 determined by the Department to be necessary for payment of  
20 refunds, less 1.5% of the remainder, which the Department  
21 shall transfer into the Tax Compliance and Administration  
22 Fund. The Department, at the time of each monthly disbursement  
23 to the Authority, shall prepare and certify to the State  
24 Comptroller the amount to be transferred into the Tax  
25 Compliance and Administration Fund under this subsection.  
26 Within 10 days after receipt by the State Comptroller of the

1 Department's certification, the Comptroller shall cause the  
2 orders to be drawn for such amounts, and the Treasurer shall  
3 administer the amounts distributed to the Authority as  
4 required in subsection (g).

5 A certified copy of any ordinance imposing or  
6 discontinuing a tax or effecting a change in the rate of that  
7 tax shall be filed with the Illinois Department of Revenue,  
8 whereupon the Department shall proceed to administer and  
9 enforce this subsection on behalf of the Authority as of the  
10 first day of the third calendar month following the date of  
11 filing.

12 (f) By ordinance the Authority shall, as soon as  
13 practicable after July 1, 1992 (the effective date of Public  
14 Act 87-733), impose an occupation tax on all persons, other  
15 than a governmental agency, engaged in the business of  
16 providing ground transportation for hire to passengers in the  
17 metropolitan area at a rate of (i) \$4 per taxi or livery  
18 vehicle departure with passengers for hire from commercial  
19 service airports in the metropolitan area, (ii) for each  
20 departure with passengers for hire from a commercial service  
21 airport in the metropolitan area in a bus or van operated by a  
22 person other than a person described in item (iii): \$18 per bus  
23 or van with a capacity of 1-12 passengers, \$36 per bus or van  
24 with a capacity of 13-24 passengers, and \$54 per bus or van  
25 with a capacity of over 24 passengers, and (iii) for each  
26 departure with passengers for hire from a commercial service

1 airport in the metropolitan area in a bus or van operated by a  
2 person regulated by the Interstate Commerce Commission or  
3 Illinois Commerce Commission, operating scheduled service from  
4 the airport, and charging fares on a per passenger basis: \$2  
5 per passenger for hire in each bus or van. The term "commercial  
6 service airports" means those airports receiving scheduled  
7 passenger service and enplaning more than 100,000 passengers  
8 per year.

9 In the ordinance imposing the tax, the Authority may  
10 provide for the administration and enforcement of the tax and  
11 the collection of the tax from persons subject to the tax as  
12 the Authority determines to be necessary or practicable for  
13 the effective administration of the tax. The Authority may  
14 enter into agreements as it deems appropriate with any  
15 governmental agency providing for that agency to act as the  
16 Authority's agent to collect the tax.

17 In the ordinance imposing the tax, the Authority may  
18 designate a method or methods for persons subject to the tax to  
19 reimburse themselves for the tax liability arising under the  
20 ordinance (i) by separately stating the full amount of the tax  
21 liability as an additional charge to passengers departing the  
22 airports, (ii) by separately stating one-half of the tax  
23 liability as an additional charge to both passengers departing  
24 from and to passengers arriving at the airports, or (iii) by  
25 some other method determined by the Authority.

26 All taxes, penalties, and interest collected under any



1 ordinance adopted under this subsection, less any amounts  
2 determined to be necessary for the payment of refunds and less  
3 the taxes, penalties, and interest attributable to any  
4 increase in the rate of tax authorized by Public Act 96-898,  
5 shall be paid forthwith to the State Treasurer, ex officio,  
6 for deposit into a trust fund held outside the State Treasury  
7 and shall be administered by the State Treasurer as provided  
8 in subsection (g) of this Section. All taxes, penalties, and  
9 interest attributable to any increase in the rate of tax  
10 authorized by Public Act 96-898 shall be paid by the State  
11 Treasurer as follows: 25% for deposit into the Convention  
12 Center Support Fund, to be used by the Village of Rosemont for  
13 the repair, maintenance, and improvement of the Donald E.  
14 Stephens Convention Center and for debt service on debt  
15 instruments issued for those purposes by the village and 75%  
16 to the Authority to be used for grants to an organization  
17 meeting the qualifications set out in Section 5.6 of this Act,  
18 provided the Metropolitan Pier and Exposition Authority has  
19 entered into a marketing agreement with such an organization.

20 (g) Amounts deposited from the proceeds of taxes imposed  
21 by the Authority under subsections (b), (c), (d), (e), and (f)  
22 of this Section and amounts deposited under Section 19 of the  
23 Illinois Sports Facilities Authority Act shall be held in a  
24 trust fund outside the State Treasury and, other than the  
25 amounts transferred into the Tax Compliance and Administration  
26 Fund under subsections (b), (c), (d), and (e), shall be

1 administered by the Treasurer as follows:

2 (1) An amount necessary for the payment of refunds  
3 with respect to those taxes shall be retained in the trust  
4 fund and used for those payments.

5 (2) On July 20 and on the 20th of each month  
6 thereafter, provided that the amount requested in the  
7 annual certificate of the Chairman of the Authority filed  
8 under Section 8.25f of the State Finance Act has been  
9 appropriated for payment to the Authority, 1/8 of the  
10 local tax transfer amount, together with any cumulative  
11 deficiencies in the amounts transferred into the McCormick  
12 Place Expansion Project Fund under this subparagraph (2)  
13 during the fiscal year for which the certificate has been  
14 filed, shall be transferred from the trust fund into the  
15 McCormick Place Expansion Project Fund in the State  
16 treasury until 100% of the local tax transfer amount has  
17 been so transferred. "Local tax transfer amount" shall  
18 mean the amount requested in the annual certificate, minus  
19 the reduction amount. "Reduction amount" shall mean \$41.7  
20 million in fiscal year 2011, \$36.7 million in fiscal year  
21 2012, \$36.7 million in fiscal year 2013, \$36.7 million in  
22 fiscal year 2014, and \$31.7 million in each fiscal year  
23 thereafter until 2035, provided that the reduction amount  
24 shall be reduced by (i) the amount certified by the  
25 Authority to the State Comptroller and State Treasurer  
26 under Section 8.25 of the State Finance Act, as amended,

1 with respect to that fiscal year and (ii) in any fiscal  
2 year in which the amounts deposited in the trust fund  
3 under this Section exceed \$343.3 million, exclusive of  
4 amounts set aside for refunds and for the reserve account,  
5 one dollar for each dollar of the deposits in the trust  
6 fund above \$343.3 million with respect to that year,  
7 exclusive of amounts set aside for refunds and for the  
8 reserve account.

9 (3) On July 20, 2010, the Comptroller shall certify to  
10 the Governor, the Treasurer, and the Chairman of the  
11 Authority the 2010 deficiency amount, which means the  
12 cumulative amount of transfers that were due from the  
13 trust fund to the McCormick Place Expansion Project Fund  
14 in fiscal years 2008, 2009, and 2010 under Section 13(g)  
15 of this Act, as it existed prior to May 27, 2010 (the  
16 effective date of Public Act 96-898), but not made. On  
17 July 20, 2011 and on July 20 of each year through July 20,  
18 2014, the Treasurer shall calculate for the previous  
19 fiscal year the surplus revenues in the trust fund and pay  
20 that amount to the Authority. On July 20, 2015 and on July  
21 20 of each year thereafter to and including July 20, 2017,  
22 as long as bonds and notes issued under Section 13.2 or  
23 bonds and notes issued to refund those bonds and notes are  
24 outstanding, the Treasurer shall calculate for the  
25 previous fiscal year the surplus revenues in the trust  
26 fund and pay one-half of that amount to the State

1       Treasurer for deposit into the General Revenue Fund until  
2       the 2010 deficiency amount has been paid and shall pay the  
3       balance of the surplus revenues to the Authority. On July  
4       20, 2018 and on July 20 of each year thereafter, the  
5       Treasurer shall calculate for the previous fiscal year the  
6       surplus revenues in the trust fund and pay all of such  
7       surplus revenues to the State Treasurer for deposit into  
8       the General Revenue Fund until the 2010 deficiency amount  
9       has been paid. After the 2010 deficiency amount has been  
10      paid, the Treasurer shall pay the balance of the surplus  
11      revenues to the Authority. "Surplus revenues" means the  
12      amounts remaining in the trust fund on June 30 of the  
13      previous fiscal year (A) after the State Treasurer has set  
14      aside in the trust fund (i) amounts retained for refunds  
15      under subparagraph (1) and (ii) any amounts necessary to  
16      meet the reserve account amount and (B) after the State  
17      Treasurer has transferred from the trust fund to the  
18      General Revenue Fund 100% of any post-2010 deficiency  
19      amount. "Reserve account amount" means \$15 million in  
20      fiscal year 2011 and \$30 million in each fiscal year  
21      thereafter. The reserve account amount shall be set aside  
22      in the trust fund and used as a reserve to be transferred  
23      to the McCormick Place Expansion Project Fund in the event  
24      the proceeds of taxes imposed under this Section 13 are  
25      not sufficient to fund the transfer required in  
26      subparagraph (2). "Post-2010 deficiency amount" means any

1           deficiency in transfers from the trust fund to the  
2           McCormick Place Expansion Project Fund with respect to  
3           fiscal years 2011 and thereafter. It is the intention of  
4           this subparagraph (3) that no surplus revenues shall be  
5           paid to the Authority with respect to any year in which a  
6           post-2010 deficiency amount has not been satisfied by the  
7           Authority.

8           Moneys received by the Authority as surplus revenues may  
9           be used (i) for the purposes of paying debt service on the  
10          bonds and notes issued by the Authority, including early  
11          redemption of those bonds or notes, (ii) for the purposes of  
12          repair, replacement, and improvement of the grounds,  
13          buildings, and facilities of the Authority, and (iii) for the  
14          corporate purposes of the Authority in fiscal years 2011  
15          through 2015 in an amount not to exceed \$20,000,000 annually  
16          or \$80,000,000 total, which amount shall be reduced \$0.75 for  
17          each dollar of the receipts of the Authority in that year from  
18          any contract entered into with respect to naming rights at  
19          McCormick Place under Section 5(m) of this Act. When bonds and  
20          notes issued under Section 13.2, or bonds or notes issued to  
21          refund those bonds and notes, are no longer outstanding, the  
22          balance in the trust fund shall be paid to the Authority.

23          (h) The ordinances imposing the taxes authorized by this  
24          Section shall be repealed when bonds and notes issued under  
25          Section 13.2 or bonds and notes issued to refund those bonds  
26          and notes are no longer outstanding.

1 (Source: P.A. 100-23, Article 5, Section 5-35, eff. 7-6-17;  
2 100-23, Article 35, Section 35-25, eff. 7-6-17; 100-587, eff.  
3 6-4-18; 100-863, eff. 8-14-18; 101-636, eff. 6-10-20.)

4 Section 65-20. The Illinois Sports Facilities Authority  
5 Act is amended by changing Section 19 as follows:

6 (70 ILCS 3205/19) (from Ch. 85, par. 6019)

7 Sec. 19. Tax. The Authority may impose an occupation tax  
8 upon all hotel operators ~~persons engaged~~ in the City of  
9 Chicago ~~in the business of renting, leasing or letting rooms~~  
10 ~~in a hotel~~, as defined in The Hotel Operators' Occupation Tax  
11 Act, at a rate not to exceed 2% of the gross rental receipts  
12 from engaging in business as a hotel operator ~~the renting,~~  
13 ~~leasing or letting of hotel rooms located~~ within the City of  
14 Chicago, excluding, however, from gross rental receipts, the  
15 proceeds of such renting, leasing or letting of hotel rooms to  
16 permanent residents of a ~~that~~ hotel and proceeds from the tax  
17 imposed under subsection (c) of Section 13 of the Metropolitan  
18 Pier and Exposition Authority Act.

19 The tax imposed by the Authority pursuant to this Section  
20 and all civil penalties that may be assessed as an incident  
21 thereof shall be collected and enforced by the State  
22 Department of Revenue. The certificate of registration which  
23 is issued by the Department to a lessor under The Hotel  
24 Operators' Occupation Tax Act shall permit such registrant to

1 engage in a business which is taxable under any ordinance or  
2 resolution enacted pursuant to this Section without  
3 registering separately with the Department under such  
4 ordinance or resolution or under this Section. The Department  
5 shall have full power to administer and enforce this Section;  
6 to collect all taxes and penalties due hereunder; to dispose  
7 of taxes and penalties so collected in the manner provided in  
8 this Section, and to determine all rights to credit memoranda,  
9 arising on account of the erroneous payment of tax or penalty  
10 hereunder. In the administration of, and compliance with, this  
11 Section, the Department and persons who are subject to this  
12 Section shall have the same rights, remedies, privileges,  
13 immunities, powers and duties, and be subject to the same  
14 conditions, restrictions, limitations, penalties and  
15 definitions of terms, and employ the same modes of procedure,  
16 as are prescribed in The Hotel Operators' Occupation Tax Act  
17 (except where that Act is inconsistent herewith), as the same  
18 is now or may hereafter be amended, as fully as if the  
19 provisions contained in The Hotel Operators' Occupation Tax  
20 Act were set forth herein.

21 Whenever the Department determines that a refund should be  
22 made under this Section to a claimant instead of issuing a  
23 credit memorandum, the Department shall notify the State  
24 Comptroller, who shall cause the warrant to be drawn for the  
25 amount specified, and to the person named, in such  
26 notification from the Department. Such refund shall be paid by

1 the State Treasurer out of the amounts held by the State  
2 Treasurer as trustee for the Authority.

3 Persons subject to any tax imposed pursuant to authority  
4 granted by this Section may reimburse themselves for their tax  
5 liability for such tax by separately stating such tax as an  
6 additional charge, which charge may be stated in combination,  
7 in a single amount, with State tax imposed under The Hotel  
8 Operators' Occupation Tax Act, the municipal tax imposed under  
9 Section 8-3-13 of the Illinois Municipal Code, and the tax  
10 imposed under Section 13 of the Metropolitan Pier and  
11 Exposition Authority Act.

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 hereunder for deposit in a trust fund  
15 outside the State Treasury. On or before the 25th day of each  
16 calendar month, the Department shall certify to the  
17 Comptroller the amount to be paid to or on behalf of the  
18 Authority from amounts collected hereunder by the Department,  
19 and deposited into such trust fund during the second preceding  
20 calendar month. The amount to be paid to or on behalf of the  
21 Authority shall be the amount (not including credit memoranda)  
22 collected hereunder during such second preceding calendar  
23 month by the Department, less an amount equal to the amount of  
24 refunds authorized during such second preceding calendar month  
25 by the Department on behalf of the Authority, and less 4% of  
26 such balance, which sum shall be retained by the State



1 Treasurer to cover the costs incurred by the Department in  
2 administering and enforcing the provisions of this Section, as  
3 provided herein. Each such monthly certification by the  
4 Department shall also certify to the Comptroller the amount to  
5 be so retained by the State Treasurer for payment into the  
6 General Revenue Fund of the State Treasury.

7 Each monthly certification by the Department shall  
8 certify, of the amount paid to or on behalf of the Authority,  
9 (i) the portion to be paid to the Authority, (ii) the portion  
10 to be paid into the General Revenue Fund of the State Treasury  
11 on behalf of the Authority as repayment of amounts advanced to  
12 the Authority pursuant to appropriation from the Illinois  
13 Sports Facilities Fund.

14 With respect to each State fiscal year, of the total  
15 amount to be paid to or on behalf of the Authority, the  
16 Department shall certify that payments shall first be made  
17 directly to the Authority in an amount equal to any difference  
18 between the annual amount certified by the Chairman of the  
19 Authority pursuant to Section 8.25-4 of the State Finance Act  
20 and the amount appropriated to the Authority from the Illinois  
21 Sports Facilities Fund. Next, the Department shall certify  
22 that payment shall be made into the General Revenue Fund of the  
23 State Treasury in an amount equal to the difference between  
24 (i) the lesser of (x) the amount appropriated from the  
25 Illinois Sports Facilities Fund to the Authority and (y) the  
26 annual amount certified by the Chairman of the Authority

1 pursuant to Section 8.25-4 of the State Finance Act and (ii)  
2 \$10,000,000. The Department shall certify that all additional  
3 amounts shall be paid to the Authority and used for its  
4 corporate purposes.

5 Within 10 days after receipt, by the Comptroller, of the  
6 Department's monthly certification of amounts to be paid to or  
7 on behalf of the Authority and amounts to be paid into the  
8 General Revenue Fund, the Comptroller shall cause the warrants  
9 to be drawn for the respective amounts in accordance with the  
10 directions contained in such certification.

11 Amounts collected by the Department and paid to the  
12 Authority pursuant to this Section shall be used for the  
13 corporate purposes of the Authority. On June 15, 1992 and on  
14 each June 15 thereafter, the Authority shall repay to the  
15 State Treasurer all amounts paid to it under this Section and  
16 otherwise remaining available to the Authority after providing  
17 for (i) payment of principal and interest on, and other  
18 payments related to, its obligations issued or to be issued  
19 under Section 13 of the Act, including any deposits required  
20 to reserve funds created under any indenture or resolution  
21 authorizing issuance of the obligations and payments to  
22 providers of credit enhancement, (ii) payment of obligations  
23 under the provisions of any management agreement with respect  
24 to a facility or facilities owned by the Authority or of any  
25 assistance agreement with respect to any facility for which  
26 financial assistance is provided under this Act, and payment

1 of other capital and operating expenses of the Authority,  
2 including any deposits required to reserve funds created for  
3 repair and replacement of capital assets and to meet the  
4 obligations of the Authority under any management agreement or  
5 assistance agreement. Amounts repaid by the Authority to the  
6 State Treasurer hereunder shall be treated as repayment of  
7 amounts deposited into the Illinois Sports Facilities Fund and  
8 credited to the Subsidy Account and used for the corporate  
9 purposes of the Authority. The State Treasurer shall deposit  
10 \$5,000,000 of the amount received into the General Revenue  
11 Fund; thereafter, at the beginning of each fiscal year the  
12 State Treasurer shall certify to the State Comptroller for all  
13 prior fiscal years the cumulative amount of any deficiencies  
14 in repayments to the City of Chicago of amounts in the Local  
15 Government Distributive Fund that would otherwise have been  
16 allocated to the City of Chicago under the State Revenue  
17 Sharing Act but instead were paid into the General Revenue  
18 Fund under Section 6 of the Hotel Operators' Occupation Tax  
19 Act and that have not been reimbursed, and the Comptroller  
20 shall, during the fiscal year at the beginning of which the  
21 certification was made, cause warrants to be drawn from the  
22 amount received for the repayment of that cumulative amount to  
23 the City of Chicago until that cumulative amount has been  
24 fully reimbursed; thereafter, the State Treasurer shall  
25 deposit the balance of the amount received into the trust fund  
26 established outside the State Treasury under subsection (g) of

1 Section 13 of the Metropolitan Pier and Exposition Authority  
2 Act.

3 Nothing in this Section shall be construed to authorize  
4 the Authority to impose a tax upon the privilege of engaging in  
5 any business which under the constitution of the United States  
6 may 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 effective on the first day of the second calendar month next  
10 following the month in which the ordinance or resolution is  
11 passed.

12 If the Authority levies a tax authorized by this Section  
13 it shall transmit to the Department of Revenue not later than 5  
14 days after the adoption of the ordinance or resolution a  
15 certified copy of the ordinance or resolution imposing such  
16 tax whereupon the Department of Revenue shall proceed to  
17 administer and enforce this Section on behalf of the  
18 Authority. Upon a change in rate of a tax levied hereunder, or  
19 upon the discontinuance of the tax, the Authority shall not  
20 later than 5 days after the effective date of the ordinance or  
21 resolution discontinuing the tax or effecting a change in rate  
22 transmit to the Department of Revenue a certified copy of the  
23 ordinance or resolution effecting such change or  
24 discontinuance.

25 (Source: P.A. 91-935, eff. 6-1-01.)

## 1 ARTICLE 70.

2 Section 70-5. The Motor Fuel Tax Law is amended by  
3 changing Section 2a as follows:

4 (35 ILCS 505/2a) (from Ch. 120, par. 418a)

5 Sec. 2a. Except as hereinafter provided, on and after  
6 January 1, 1990 and before January 1, 2030 ~~January 1, 2025~~, a  
7 tax of three-tenths of a cent per gallon is imposed upon the  
8 privilege of being a receiver in this State of fuel for sale or  
9 use. Beginning January 1, 2021, this tax is not imposed on  
10 sales of aviation fuel for so long as the revenue use  
11 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
12 binding on the State.

13 The tax shall be paid by the receiver in this State who  
14 first sells or uses fuel. In the case of a sale, the tax shall  
15 be stated as a separate item on the invoice.

16 For the purpose of the tax imposed by this Section, being a  
17 receiver of "motor fuel" as defined by Section 1.1 of this Act,  
18 and aviation fuels, home heating oil and kerosene, but  
19 excluding liquified petroleum gases, is subject to tax without  
20 regard to whether the fuel is intended to be used for operation  
21 of motor vehicles on the public highways and waters. However,  
22 no such tax shall be imposed upon the importation or receipt of  
23 aviation fuels and kerosene at airports with over 300,000  
24 operations per year, for years prior to 1991, and over 170,000

1 operations per year beginning in 1991, located in a city of  
2 more than 1,000,000 inhabitants for sale to or use by holders  
3 of certificates of public convenience and necessity or foreign  
4 air carrier permits, issued by the United States Department of  
5 Transportation, and their air carrier affiliates, or upon the  
6 importation or receipt of aviation fuels and kerosene at  
7 facilities owned or leased by those certificate or permit  
8 holders and used in their activities at an airport described  
9 above. In addition, no such tax shall be imposed upon the  
10 importation or receipt of diesel fuel or liquefied natural gas  
11 sold to or used by a rail carrier registered pursuant to  
12 Section 18c-7201 of the Illinois Vehicle Code or otherwise  
13 recognized by the Illinois Commerce Commission as a rail  
14 carrier, to the extent used directly in railroad operations.  
15 In addition, no such tax shall be imposed when the sale is made  
16 with delivery to a purchaser outside this State or when the  
17 sale is made to a person holding a valid license as a receiver.  
18 In addition, no tax shall be imposed upon diesel fuel or  
19 liquefied natural gas consumed or used in the operation of  
20 ships, barges, or vessels, that are used primarily in or for  
21 the transportation of property in interstate commerce for hire  
22 on rivers bordering on this State, if the diesel fuel or  
23 liquefied natural gas is delivered by a licensed receiver to  
24 the purchaser's barge, ship, or vessel while it is afloat upon  
25 that bordering river. A specific notation thereof shall be  
26 made on the invoices or sales slips covering each sale.

1 (Source: P.A. 100-9, eff. 7-1-17; 101-604, eff. 12-13-19.)

2 Section 70-10. The Environmental Impact Fee Law is amended  
3 by changing Section 390 as follows:

4 (415 ILCS 125/390)

5 (Section scheduled to be repealed on January 1, 2025)

6 Sec. 390. Repeal. This Article is repealed on January 1,  
7 2030 ~~January 1, 2025.~~

8 (Source: P.A. 96-161, eff. 8-10-09.)

9 ARTICLE 75.

10 Section 75-5. The Use Tax Act is amended by changing  
11 Sections 2, 3, 3-5, 3-10, 3-55, and 9 and by adding Section  
12 1.05 as follows:

13 (35 ILCS 105/1.05 new)

14 Sec. 1.05. Legislative intent; leases. It is the intent of  
15 the General Assembly in enacting this amendatory Act of the  
16 103rd General Assembly to apply the tax imposed under this  
17 Act, except as otherwise provided in this Act, to the  
18 privilege of using in this State tangible personal property,  
19 other than motor vehicles, watercraft, aircraft, and  
20 semitrailers, as defined in Section 1-187 of the Illinois  
21 Vehicle Code, that are required to be registered with an

1 agency of this State, leased at retail from a retailer, for  
2 leases in effect, entered into, or renewed on or after January  
3 1, 2025.

4 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

5 Sec. 2. Definitions.

6 "Use" means the exercise by any person of any right or  
7 power over tangible personal property incident to the  
8 ownership of that property, or, on and after January 1, 2025,  
9 incident to the possession or control of, the right to possess  
10 or control, or a license to use that property through a lease,  
11 except that it does not include the sale of such property in  
12 any form as tangible personal property in the regular course  
13 of business to the extent that such property is not first  
14 subjected to a use for which it was purchased, and does not  
15 include the use of such property by its owner for  
16 demonstration purposes: Provided that the property purchased  
17 is deemed to be purchased for the purpose of resale, despite  
18 first being used, to the extent to which it is resold as an  
19 ingredient of an intentionally produced product or by-product  
20 of manufacturing. "Use" does not mean the demonstration use or  
21 interim use of tangible personal property by a retailer before  
22 he sells that tangible personal property. On and after January  
23 1, 2025, the lease of tangible personal property to a lessee by  
24 a retailer who is subject to tax on lease receipts under this  
25 amendatory Act of the 103rd General Assembly does not qualify



1 as demonstration use or interim use of that property. For  
2 watercraft or aircraft, if the period of demonstration use or  
3 interim use by the retailer exceeds 18 months, the retailer  
4 shall pay on the retailers' original cost price the tax  
5 imposed by this Act, and no credit for that tax is permitted if  
6 the watercraft or aircraft is subsequently sold by the  
7 retailer. "Use" does not mean the physical incorporation of  
8 tangible personal property, to the extent not first subjected  
9 to a use for which it was purchased, as an ingredient or  
10 constituent, into other tangible personal property (a) which  
11 is sold in the regular course of business or (b) which the  
12 person incorporating such ingredient or constituent therein  
13 has undertaken at the time of such purchase to cause to be  
14 transported in interstate commerce to destinations outside the  
15 State of Illinois: Provided that the property purchased is  
16 deemed to be purchased for the purpose of resale, despite  
17 first being used, to the extent to which it is resold as an  
18 ingredient of an intentionally produced product or by-product  
19 of manufacturing.

20 "Lease" means a transfer of the possession or control of,  
21 the right to possess or control, or a license to use, but not  
22 title to, tangible personal property for a fixed or  
23 indeterminate term for consideration, regardless of the name  
24 by which the transaction is called. "Lease" does not include a  
25 lease entered into merely as a security agreement that does  
26 not involve a transfer of possession or control from the

1 lessor to the lessee.

2 On and after January 1, 2025, the term "sale", when used in  
3 this Act, includes a lease.

4 "Watercraft" means a Class 2, Class 3, or Class 4  
5 watercraft as defined in Section 3-2 of the Boat Registration  
6 and Safety Act, a personal watercraft, or any boat equipped  
7 with an inboard motor.

8 "Purchase at retail" means the acquisition of the  
9 ownership of, the ~~or~~ title to, the possession or control of,  
10 the right to possess or control, or a license to use, tangible  
11 personal property through a sale at retail.

12 "Purchaser" means anyone who, through a sale at retail,  
13 acquires the ownership of, the title to, the possession or  
14 control of, the right to possess or control, or a license to  
15 use, tangible personal property for a valuable consideration.

16 "Sale at retail" means any transfer of the ownership of or  
17 title to tangible personal property to a purchaser, for the  
18 purpose of use, and not for the purpose of resale in any form  
19 as tangible personal property to the extent not first  
20 subjected to a use for which it was purchased, for a valuable  
21 consideration: Provided that the property purchased is deemed  
22 to be purchased for the purpose of resale, despite first being  
23 used, to the extent to which it is resold as an ingredient of  
24 an intentionally produced product or by-product of  
25 manufacturing. For this purpose, slag produced as an incident  
26 to manufacturing pig iron or steel and sold is considered to be

1 an intentionally produced by-product of manufacturing. "Sale  
2 at retail" includes any such transfer made for resale unless  
3 made in compliance with Section 2c of the Retailers'  
4 Occupation Tax Act, as incorporated by reference into Section  
5 12 of this Act. Transactions whereby the possession of the  
6 property is transferred but the seller retains the title as  
7 security for payment of the selling price are sales.

8 "Sale at retail" shall also be construed to include any  
9 Illinois florist's sales transaction in which the purchase  
10 order is received in Illinois by a florist and the sale is for  
11 use or consumption, but the Illinois florist has a florist in  
12 another state deliver the property to the purchaser or the  
13 purchaser's donee in such other state.

14 Nonreusable tangible personal property that is used by  
15 persons engaged in the business of operating a restaurant,  
16 cafeteria, or drive-in is a sale for resale when it is  
17 transferred to customers in the ordinary course of business as  
18 part of the sale of food or beverages and is used to deliver,  
19 package, or consume food or beverages, regardless of where  
20 consumption of the food or beverages occurs. Examples of those  
21 items include, but are not limited to nonreusable, paper and  
22 plastic cups, plates, baskets, boxes, sleeves, buckets or  
23 other containers, utensils, straws, placemats, napkins, doggie  
24 bags, and wrapping or packaging materials that are transferred  
25 to customers as part of the sale of food or beverages in the  
26 ordinary course of business.

1           The purchase, employment and transfer of such tangible  
2 personal property as newsprint and ink for the primary purpose  
3 of conveying news (with or without other information) is not a  
4 purchase, use or sale of tangible personal property.

5           "Selling price" means the consideration for a sale valued  
6 in money whether received in money or otherwise, including  
7 cash, credits, property other than as hereinafter provided,  
8 and services, but, prior to January 1, 2020 and beginning  
9 again on January 1, 2022, not including the value of or credit  
10 given for traded-in tangible personal property where the item  
11 that is traded-in is of like kind and character as that which  
12 is being sold; beginning January 1, 2020 and until January 1,  
13 2022, "selling price" includes the portion of the value of or  
14 credit given for traded-in motor vehicles of the First  
15 Division as defined in Section 1-146 of the Illinois Vehicle  
16 Code of like kind and character as that which is being sold  
17 that exceeds \$10,000. "Selling price" shall be determined  
18 without any deduction on account of the cost of the property  
19 sold, the cost of materials used, labor or service cost or any  
20 other expense whatsoever, but does not include interest or  
21 finance charges which appear as separate items on the bill of  
22 sale or sales contract nor charges that are added to prices by  
23 sellers on account of the seller's tax liability under the  
24 Retailers' Occupation Tax Act, or on account of the seller's  
25 duty to collect, from the purchaser, the tax that is imposed by  
26 this Act, or, except as otherwise provided with respect to any

1 cigarette tax imposed by a home rule unit, on account of the  
2 seller's tax liability under any local occupation tax  
3 administered by the Department, or, except as otherwise  
4 provided with respect to any cigarette tax imposed by a home  
5 rule unit on account of the seller's duty to collect, from the  
6 purchasers, the tax that is imposed under any local use tax  
7 administered by the Department. Effective December 1, 1985,  
8 "selling price" shall include charges that are added to prices  
9 by sellers on account of the seller's tax liability under the  
10 Cigarette Tax Act, on account of the seller's duty to collect,  
11 from the purchaser, the tax imposed under the Cigarette Use  
12 Tax Act, and on account of the seller's duty to collect, from  
13 the purchaser, any cigarette tax imposed by a home rule unit.

14 The provisions of this paragraph, which provides only for  
15 an alternative meaning of "selling price" with respect to the  
16 sale of certain motor vehicles incident to the contemporaneous  
17 lease of those motor vehicles, continue in effect and are not  
18 changed by the tax on leases implemented by this amendatory  
19 Act of the 103rd General Assembly. Notwithstanding any law to  
20 the contrary, for any motor vehicle, as defined in Section  
21 1-146 of the Vehicle Code, that is sold on or after January 1,  
22 2015 for the purpose of leasing the vehicle for a defined  
23 period that is longer than one year and (1) is a motor vehicle  
24 of the second division that: (A) is a self-contained motor  
25 vehicle designed or permanently converted to provide living  
26 quarters for recreational, camping, or travel use, with direct

1 walk through access to the living quarters from the driver's  
2 seat; (B) is of the van configuration designed for the  
3 transportation of not less than 7 nor more than 16 passengers;  
4 or (C) has a gross vehicle weight rating of 8,000 pounds or  
5 less or (2) is a motor vehicle of the first division, "selling  
6 price" or "amount of sale" means the consideration received by  
7 the lessor pursuant to the lease contract, including amounts  
8 due at lease signing and all monthly or other regular payments  
9 charged over the term of the lease. Also included in the  
10 selling price is any amount received by the lessor from the  
11 lessee for the leased vehicle that is not calculated at the  
12 time the lease is executed, including, but not limited to,  
13 excess mileage charges and charges for excess wear and tear.  
14 For sales that occur in Illinois, with respect to any amount  
15 received by the lessor from the lessee for the leased vehicle  
16 that is not calculated at the time the lease is executed, the  
17 lessor who purchased the motor vehicle does not incur the tax  
18 imposed by the Use Tax Act on those amounts, and the retailer  
19 who makes the retail sale of the motor vehicle to the lessor is  
20 not required to collect the tax imposed by this Act or to pay  
21 the tax imposed by the Retailers' Occupation Tax Act on those  
22 amounts. However, the lessor who purchased the motor vehicle  
23 assumes the liability for reporting and paying the tax on  
24 those amounts directly to the Department in the same form  
25 (Illinois Retailers' Occupation Tax, and local retailers'  
26 occupation taxes, if applicable) in which the retailer would

1 have reported and paid such tax if the retailer had accounted  
2 for the tax to the Department. For amounts received by the  
3 lessor from the lessee that are not calculated at the time the  
4 lease is executed, the lessor must file the return and pay the  
5 tax to the Department by the due date otherwise required by  
6 this Act for returns other than transaction returns. If the  
7 retailer is entitled under this Act to a discount for  
8 collecting and remitting the tax imposed under this Act to the  
9 Department with respect to the sale of the motor vehicle to the  
10 lessor, then the right to the discount provided in this Act  
11 shall be transferred to the lessor with respect to the tax paid  
12 by the lessor for any amount received by the lessor from the  
13 lessee for the leased vehicle that is not calculated at the  
14 time the lease is executed; provided that the discount is only  
15 allowed if the return is timely filed and for amounts timely  
16 paid. The "selling price" of a motor vehicle that is sold on or  
17 after January 1, 2015 for the purpose of leasing for a defined  
18 period of longer than one year shall not be reduced by the  
19 value of or credit given for traded-in tangible personal  
20 property owned by the lessor, nor shall it be reduced by the  
21 value of or credit given for traded-in tangible personal  
22 property owned by the lessee, regardless of whether the  
23 trade-in value thereof is assigned by the lessee to the  
24 lessor. In the case of a motor vehicle that is sold for the  
25 purpose of leasing for a defined period of longer than one  
26 year, the sale occurs at the time of the delivery of the

1 vehicle, regardless of the due date of any lease payments. A  
2 lessor who incurs a Retailers' Occupation Tax liability on the  
3 sale of a motor vehicle coming off lease may not take a credit  
4 against that liability for the Use Tax the lessor paid upon the  
5 purchase of the motor vehicle (or for any tax the lessor paid  
6 with respect to any amount received by the lessor from the  
7 lessee for the leased vehicle that was not calculated at the  
8 time the lease was executed) if the selling price of the motor  
9 vehicle at the time of purchase was calculated using the  
10 definition of "selling price" as defined in this paragraph.  
11 Notwithstanding any other provision of this Act to the  
12 contrary, lessors shall file all returns and make all payments  
13 required under this paragraph to the Department by electronic  
14 means in the manner and form as required by the Department.  
15 This paragraph does not apply to leases of motor vehicles for  
16 which, at the time the lease is entered into, the term of the  
17 lease is not a defined period, including leases with a defined  
18 initial period with the option to continue the lease on a  
19 month-to-month or other basis beyond the initial defined  
20 period.

21 The phrase "like kind and character" shall be liberally  
22 construed (including but not limited to any form of motor  
23 vehicle for any form of motor vehicle, or any kind of farm or  
24 agricultural implement for any other kind of farm or  
25 agricultural implement), while not including a kind of item  
26 which, if sold at retail by that retailer, would be exempt from



1 retailers' occupation tax and use tax as an isolated or  
2 occasional sale.

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 "Retailer" means and includes every person engaged in the  
10 business of making sales, including, on and after January 1,  
11 2025, leases, at retail as defined in this Section. With  
12 respect to leases, a "retailer" also means a "lessor", except  
13 as otherwise provided in this Act.

14 A person who holds himself or herself out as being engaged  
15 (or who habitually engages) in selling tangible personal  
16 property at retail is a retailer hereunder with respect to  
17 such sales (and not primarily in a service occupation)  
18 notwithstanding the fact that such person designs and produces  
19 such tangible personal property on special order for the  
20 purchaser and in such a way as to render the property of value  
21 only to such purchaser, if such tangible personal property so  
22 produced on special order serves substantially the same  
23 function as stock or standard items of tangible personal  
24 property that are sold at retail.

25 A person whose activities are organized and conducted  
26 primarily as a not-for-profit service enterprise, and who

1 engages in selling tangible personal property at retail  
2 (whether to the public or merely to members and their guests)  
3 is a retailer with respect to such transactions, excepting  
4 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. This  
14 paragraph does not apply to nor subject to taxation occasional  
15 dinners, social or similar activities of a person organized  
16 and operated exclusively for charitable, religious or  
17 educational purposes, whether or not such activities are open  
18 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 a  
25 retailer under this Act with respect to such transactions.

26 Persons who engage in the business of transferring

1 tangible personal property upon the redemption of trading  
2 stamps are retailers hereunder when engaged in such business.

3 The isolated or occasional sale of tangible personal  
4 property at retail by a person who does not hold himself out as  
5 being engaged (or who does not habitually engage) in selling  
6 such tangible personal property at retail or a sale through a  
7 bulk vending machine does not make such person a retailer  
8 hereunder. However, any person who is engaged in a business  
9 which is not subject to the tax imposed by the Retailers'  
10 Occupation Tax Act because of involving the sale of or a  
11 contract to sell real estate or a construction contract to  
12 improve real estate, but who, in the course of conducting such  
13 business, transfers tangible personal property to users or  
14 consumers in the finished form in which it was purchased, and  
15 which does not become real estate, under any provision of a  
16 construction contract or real estate sale or real estate sales  
17 agreement entered into with some other person arising out of  
18 or because of such nontaxable business, is a retailer to the  
19 extent of the value of the tangible personal property so  
20 transferred. If, in such transaction, a separate charge is  
21 made for the tangible personal property so transferred, the  
22 value of such property, for the purposes of this Act, is the  
23 amount so separately charged, but not less than the cost of  
24 such property to the transferor; if no separate charge is  
25 made, the value of such property, for the purposes of this Act,  
26 is the cost to the transferor of such tangible personal

1 property.

2 "Retailer maintaining a place of business in this State",  
3 or any like term, means and includes any of the following  
4 retailers:

5 (1) A retailer having or maintaining within this  
6 State, directly or by a subsidiary, an office,  
7 distribution house, sales house, warehouse or other place  
8 of business, or any agent or other representative  
9 operating within this State under the authority of the  
10 retailer or its subsidiary, irrespective of whether such  
11 place of business or agent or other representative is  
12 located here permanently or temporarily, or whether such  
13 retailer or subsidiary is licensed to do business in this  
14 State. However, the ownership of property that is located  
15 at the premises of a printer with which the retailer has  
16 contracted for printing and that consists of the final  
17 printed product, property that becomes a part of the final  
18 printed product, or copy from which the printed product is  
19 produced shall not result in the retailer being deemed to  
20 have or maintain an office, distribution house, sales  
21 house, warehouse, or other place of business within this  
22 State.

23 (1.1) A retailer having a contract with a person  
24 located in this State under which the person, for a  
25 commission or other consideration based upon the sale of  
26 tangible personal property by the retailer, directly or

1 indirectly refers potential customers to the retailer by  
2 providing to the potential customers a promotional code or  
3 other mechanism that allows the retailer to track  
4 purchases referred by such persons. Examples of mechanisms  
5 that allow the retailer to track purchases referred by  
6 such persons include but are not limited to the use of a  
7 link on the person's Internet website, promotional codes  
8 distributed through the person's hand-delivered or mailed  
9 material, and promotional codes distributed by the person  
10 through radio or other broadcast media. The provisions of  
11 this paragraph (1.1) shall apply only if the cumulative  
12 gross receipts from sales of tangible personal property by  
13 the retailer to customers who are referred to the retailer  
14 by all persons in this State under such contracts exceed  
15 \$10,000 during the preceding 4 quarterly periods ending on  
16 the last day of March, June, September, and December. A  
17 retailer meeting the requirements of this paragraph (1.1)  
18 shall be presumed to be maintaining a place of business in  
19 this State but may rebut this presumption by submitting  
20 proof that the referrals or other activities pursued  
21 within this State by such persons were not sufficient to  
22 meet the nexus standards of the United States Constitution  
23 during the preceding 4 quarterly periods.

24 (1.2) Beginning July 1, 2011, a retailer having a  
25 contract with a person located in this State under which:

26 (A) the retailer sells the same or substantially

1 similar line of products as the person located in this  
2 State and does so using an identical or substantially  
3 similar name, trade name, or trademark as the person  
4 located in this State; and

5 (B) the retailer provides a commission or other  
6 consideration to the person located in this State  
7 based upon the sale of tangible personal property by  
8 the retailer.

9 The provisions of this paragraph (1.2) shall apply  
10 only if the cumulative gross receipts from sales of  
11 tangible personal property by the retailer to customers in  
12 this State under all such contracts exceed \$10,000 during  
13 the preceding 4 quarterly periods ending on the last day  
14 of March, June, September, and December.

15 (2) (Blank).

16 (3) (Blank).

17 (4) (Blank).

18 (5) (Blank).

19 (6) (Blank).

20 (7) (Blank).

21 (8) (Blank).

22 (9) Beginning October 1, 2018, a retailer making sales  
23 of tangible personal property to purchasers in Illinois  
24 from outside of Illinois if:

25 (A) the cumulative gross receipts from sales of  
26 tangible personal property to purchasers in Illinois

1           are \$100,000 or more; or

2                   (B) the retailer enters into 200 or more separate  
3           transactions for the sale of tangible personal  
4           property to purchasers in Illinois.

5           The retailer shall determine on a quarterly basis,  
6           ending on the last day of March, June, September, and  
7           December, whether he or she meets the criteria of either  
8           subparagraph (A) or (B) of this paragraph (9) for the  
9           preceding 12-month period. If the retailer meets the  
10          threshold of either subparagraph (A) or (B) for a 12-month  
11          period, he or she is considered a retailer maintaining a  
12          place of business in this State and is required to collect  
13          and remit the tax imposed under this Act and file returns  
14          for one year. At the end of that one-year period, the  
15          retailer shall determine whether he or she met the  
16          threshold of either subparagraph (A) or (B) during the  
17          preceding 12-month period. If the retailer met the  
18          criteria in either subparagraph (A) or (B) for the  
19          preceding 12-month period, he or she is considered a  
20          retailer maintaining a place of business in this State and  
21          is required to collect and remit the tax imposed under  
22          this Act and file returns for the subsequent year. If at  
23          the end of a one-year period a retailer that was required  
24          to collect and remit the tax imposed under this Act  
25          determines that he or she did not meet the threshold in  
26          either subparagraph (A) or (B) during the preceding

1 12-month period, the retailer shall subsequently determine  
2 on a quarterly basis, ending on the last day of March,  
3 June, September, and December, whether he or she meets the  
4 threshold of either subparagraph (A) or (B) for the  
5 preceding 12-month period.

6 Beginning January 1, 2020, neither the gross receipts  
7 from nor the number of separate transactions for sales of  
8 tangible personal property to purchasers in Illinois that  
9 a retailer makes through a marketplace facilitator and for  
10 which the retailer has received a certification from the  
11 marketplace facilitator pursuant to Section 2d of this Act  
12 shall be included for purposes of determining whether he  
13 or she has met the thresholds of this paragraph (9).

14 (10) Beginning January 1, 2020, a marketplace  
15 facilitator that meets a threshold set forth in subsection  
16 (b) of Section 2d of this Act.

17 "Bulk vending machine" means a vending machine, containing  
18 unsorted confections, nuts, toys, or other items designed  
19 primarily to be used or played with by children which, when a  
20 coin or coins of a denomination not larger than \$0.50 are  
21 inserted, are dispensed in equal portions, at random and  
22 without selection by the customer.

23 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 1-1-20;  
24 101-604, eff. 1-1-20; 102-353, eff. 1-1-22.)

25 (35 ILCS 105/3) (from Ch. 120, par. 439.3)



1           Sec. 3. Tax imposed. A tax is imposed upon the privilege of  
2 using in this State tangible personal property purchased,  
3 which, on and after January 1, 2025, includes leased, at  
4 retail from a retailer, including computer software, and  
5 including photographs, negatives, and positives that are the  
6 product of photoprocessing, but not including products of  
7 photoprocessing produced for use in motion pictures for  
8 commercial exhibition. Beginning January 1, 2001, prepaid  
9 telephone calling arrangements shall be considered tangible  
10 personal property subject to the tax imposed under this Act  
11 regardless of the form in which those arrangements may be  
12 embodied, transmitted, or fixed by any method now known or  
13 hereafter developed. Purchases of (1) electricity delivered to  
14 customers by wire; (2) natural or artificial gas that is  
15 delivered to customers through pipes, pipelines, or mains; and  
16 (3) water that is delivered to customers through pipes,  
17 pipelines, or mains are not subject to tax under this Act. The  
18 provisions of this amendatory Act of the 98th General Assembly  
19 are declaratory of existing law as to the meaning and scope of  
20 this Act.

21           The imposition of the tax under this Act on the privilege  
22 of using tangible personal property leased at retail applies  
23 to leases of tangible personal property in effect, entered  
24 into, or renewed on or after January 1, 2025. In the case of  
25 leases, except as otherwise provided in this Act, the lessor,  
26 in collecting the tax, may collect for each tax return period,

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

3 The inclusion of leases in the tax imposed under this Act  
4 by this amendatory Act of the 103rd General Assembly does not,  
5 however, extend to motor vehicles, watercraft, aircraft, and  
6 semitrailers, as defined in Section 1-187 of the Illinois  
7 Vehicle Code, that are required to be registered with an  
8 agency of this State. The taxation of these items shall  
9 continue in effect as prior to the effective date of the  
10 changes made to this Section by this amendatory Act of the  
11 103rd General Assembly (i.e. dealers owe retailers' occupation  
12 tax, lessors owe use tax, and lessees are not subject to  
13 retailers' occupation or use tax).

14 (Source: P.A. 98-583, eff. 1-1-14.)

15 (35 ILCS 105/3-5)

16 Sec. 3-5. Exemptions. Use, which, on and after January 1,  
17 2025, includes use by a lessee, of the following tangible  
18 personal property is exempt from the tax imposed by this Act:

19 (1) Personal property purchased from a corporation,  
20 society, association, foundation, institution, or  
21 organization, other than a limited liability company, that is  
22 organized and operated as a not-for-profit service enterprise  
23 for the benefit of persons 65 years of age or older if the  
24 personal property was not purchased by the enterprise for the  
25 purpose of resale by the enterprise.

1           (2) Personal property purchased by a not-for-profit  
2 Illinois county fair association for use in conducting,  
3 operating, or promoting the county fair.

4           (3) Personal property purchased by a not-for-profit arts  
5 or cultural organization that establishes, by proof required  
6 by the Department by rule, that it has received an exemption  
7 under Section 501(c)(3) of the Internal Revenue Code and that  
8 is organized and operated primarily for the presentation or  
9 support of arts or cultural programming, activities, or  
10 services. These organizations include, but are not limited to,  
11 music and dramatic arts organizations such as symphony  
12 orchestras and theatrical groups, arts and cultural service  
13 organizations, local arts councils, visual arts organizations,  
14 and media arts organizations. On and after July 1, 2001 (the  
15 effective date of Public Act 92-35), however, an entity  
16 otherwise eligible for this exemption shall not make tax-free  
17 purchases unless it has an active identification number issued  
18 by the Department.

19           (4) Except as otherwise provided in this Act, personal  
20 property purchased by a governmental body, by a corporation,  
21 society, association, foundation, or institution organized and  
22 operated exclusively for charitable, religious, or educational  
23 purposes, or by a not-for-profit corporation, society,  
24 association, foundation, institution, or organization that has  
25 no compensated officers or employees and that is organized and  
26 operated primarily for the recreation of persons 55 years of

1 age or older. A limited liability company may qualify for the  
2 exemption under this paragraph only if the limited liability  
3 company is organized and operated exclusively for educational  
4 purposes. On and after July 1, 1987, however, no entity  
5 otherwise eligible for this exemption shall make tax-free  
6 purchases unless it has an active exemption identification  
7 number issued by the Department.

8 (5) Until July 1, 2003, a passenger car that is a  
9 replacement vehicle to the extent that the purchase price of  
10 the car is subject to the Replacement Vehicle Tax.

11 (6) Until July 1, 2003 and beginning again on September 1,  
12 2004 through August 30, 2014, graphic arts machinery and  
13 equipment, including repair and replacement parts, both new  
14 and used, and including that manufactured on special order,  
15 certified by the purchaser to be used primarily for graphic  
16 arts production, and including machinery and equipment  
17 purchased for lease. Equipment includes chemicals or chemicals  
18 acting as catalysts but only if the chemicals or chemicals  
19 acting as catalysts effect a direct and immediate change upon  
20 a graphic arts product. Beginning on July 1, 2017, graphic  
21 arts machinery and equipment is included in the manufacturing  
22 and assembling machinery and equipment exemption under  
23 paragraph (18).

24 (7) Farm chemicals.

25 (8) Legal tender, currency, medallions, or gold or silver  
26 coinage issued by the State of Illinois, the government of the

1 United States of America, or the government of any foreign  
2 country, and bullion.

3 (9) Personal property purchased from a teacher-sponsored  
4 student organization affiliated with an elementary or  
5 secondary school located in Illinois.

6 (10) A motor vehicle that is used for automobile renting,  
7 as defined in the Automobile Renting Occupation and Use Tax  
8 Act.

9 (11) Farm machinery and equipment, both new and used,  
10 including that manufactured on special order, certified by the  
11 purchaser to be used primarily for production agriculture or  
12 State or federal agricultural programs, including individual  
13 replacement parts for the machinery and equipment, including  
14 machinery and equipment purchased for lease, and including  
15 implements of husbandry defined in Section 1-130 of the  
16 Illinois Vehicle Code, farm machinery and agricultural  
17 chemical and fertilizer spreaders, and nurse wagons required  
18 to be registered under Section 3-809 of the Illinois Vehicle  
19 Code, but excluding other motor vehicles required to be  
20 registered under the Illinois Vehicle Code. Horticultural  
21 polyhouses or hoop houses used for propagating, growing, or  
22 overwintering plants shall be considered farm machinery and  
23 equipment under this item (11). Agricultural chemical tender  
24 tanks and dry boxes shall include units sold separately from a  
25 motor vehicle required to be licensed and units sold mounted  
26 on a motor vehicle required to be licensed if the selling price

1 of the tender is separately stated.

2 Farm machinery and equipment shall include precision  
3 farming equipment that is installed or purchased to be  
4 installed on farm machinery and equipment, including, but not  
5 limited to, tractors, harvesters, sprayers, planters, seeders,  
6 or spreaders. Precision farming equipment includes, but is not  
7 limited to, soil testing sensors, computers, monitors,  
8 software, global positioning and mapping systems, and other  
9 such equipment.

10 Farm machinery and equipment also includes computers,  
11 sensors, software, and related equipment used primarily in the  
12 computer-assisted operation of production agriculture  
13 facilities, equipment, and activities such as, but not limited  
14 to, the collection, monitoring, and correlation of animal and  
15 crop data for the purpose of formulating animal diets and  
16 agricultural chemicals.

17 Beginning on January 1, 2024, farm machinery and equipment  
18 also includes electrical power generation equipment used  
19 primarily for production agriculture.

20 This item (11) is exempt from the provisions of Section  
21 3-90.

22 (12) Until June 30, 2013, fuel and petroleum products sold  
23 to or used by an air common carrier, certified by the carrier  
24 to be used for consumption, shipment, or storage in the  
25 conduct of its business as an air common carrier, for a flight  
26 destined for or returning from a location or locations outside

1 the United States without regard to previous or subsequent  
2 domestic stopovers.

3 Beginning July 1, 2013, fuel and petroleum products sold  
4 to or used by an air carrier, certified by the carrier to be  
5 used for consumption, shipment, or storage in the conduct of  
6 its business as an air common carrier, for a flight that (i) is  
7 engaged in foreign trade or is engaged in trade between the  
8 United States and any of its possessions and (ii) transports  
9 at least one individual or package for hire from the city of  
10 origination to the city of final destination on the same  
11 aircraft, without regard to a change in the flight number of  
12 that aircraft.

13 (13) Proceeds of mandatory service charges separately  
14 stated on customers' bills for the purchase and consumption of  
15 food and beverages purchased at retail from a retailer, to the  
16 extent that the proceeds of the service charge are in fact  
17 turned over as tips or as a substitute for tips to the  
18 employees who participate directly in preparing, serving,  
19 hosting or cleaning up the food or beverage function with  
20 respect to which the service charge is imposed.

21 (14) Until July 1, 2003, oil field exploration, drilling,  
22 and production equipment, including (i) rigs and parts of  
23 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
24 pipe and tubular goods, including casing and drill strings,  
25 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
26 lines, (v) any individual replacement part for oil field

1 exploration, drilling, and production equipment, and (vi)  
2 machinery and equipment purchased for lease; but excluding  
3 motor vehicles required to be registered under the Illinois  
4 Vehicle Code.

5 (15) Photoprocessing machinery and equipment, including  
6 repair and replacement parts, both new and used, including  
7 that manufactured on special order, certified by the purchaser  
8 to be used primarily for photoprocessing, and including  
9 photoprocessing machinery and equipment purchased for lease.

10 (16) Until July 1, 2028, coal and aggregate exploration,  
11 mining, off-highway hauling, processing, maintenance, and  
12 reclamation equipment, including replacement parts and  
13 equipment, and including equipment purchased for lease, but  
14 excluding motor vehicles required to be registered under the  
15 Illinois Vehicle Code. The changes made to this Section by  
16 Public Act 97-767 apply on and after July 1, 2003, but no claim  
17 for credit or refund is allowed on or after August 16, 2013  
18 (the effective date of Public Act 98-456) for such taxes paid  
19 during the period beginning July 1, 2003 and ending on August  
20 16, 2013 (the effective date of Public Act 98-456).

21 (17) Until July 1, 2003, distillation machinery and  
22 equipment, sold as a unit or kit, assembled or installed by the  
23 retailer, certified by the user to be used only for the  
24 production of ethyl alcohol that will be used for consumption  
25 as motor fuel or as a component of motor fuel for the personal  
26 use of the user, and not subject to sale or resale.



1           (18) Manufacturing and assembling machinery and equipment  
2 used primarily in the process of manufacturing or assembling  
3 tangible personal property for wholesale or retail sale or  
4 lease, whether that sale or lease is made directly by the  
5 manufacturer or by some other person, whether the materials  
6 used in the process are owned by the manufacturer or some other  
7 person, or whether that sale or lease is made apart from or as  
8 an incident to the seller's engaging in the service occupation  
9 of producing machines, tools, dies, jigs, patterns, gauges, or  
10 other similar items of no commercial value on special order  
11 for a particular purchaser. The exemption provided by this  
12 paragraph (18) includes production related tangible personal  
13 property, as defined in Section 3-50, purchased on or after  
14 July 1, 2019. The exemption provided by this paragraph (18)  
15 does not include machinery and equipment used in (i) the  
16 generation of electricity for wholesale or retail sale; (ii)  
17 the generation or treatment of natural or artificial gas for  
18 wholesale or retail sale that is delivered to customers  
19 through pipes, pipelines, or mains; or (iii) the treatment of  
20 water for wholesale or retail sale that is delivered to  
21 customers through pipes, pipelines, or mains. The provisions  
22 of Public Act 98-583 are declaratory of existing law as to the  
23 meaning and scope of this exemption. Beginning on July 1,  
24 2017, the exemption provided by this paragraph (18) includes,  
25 but is not limited to, graphic arts machinery and equipment,  
26 as defined in paragraph (6) of this Section.

1           (19) Personal property delivered to a purchaser or  
2 purchaser's donee inside Illinois when the purchase order for  
3 that personal property was received by a florist located  
4 outside Illinois who has a florist located inside Illinois  
5 deliver the personal property.

6           (20) Semen used for artificial insemination of livestock  
7 for direct agricultural production.

8           (21) Horses, or interests in horses, registered with and  
9 meeting the requirements of any of the Arabian Horse Club  
10 Registry of America, Appaloosa Horse Club, American Quarter  
11 Horse Association, United States Trotting Association, or  
12 Jockey Club, as appropriate, used for purposes of breeding or  
13 racing for prizes. This item (21) is exempt from the  
14 provisions of Section 3-90, and the exemption provided for  
15 under this item (21) applies for all periods beginning May 30,  
16 1995, but no claim for credit or refund is allowed on or after  
17 January 1, 2008 for such taxes paid during the period  
18 beginning May 30, 2000 and ending on January 1, 2008.

19           (22) Computers and communications equipment utilized for  
20 any hospital purpose and equipment used in the diagnosis,  
21 analysis, or treatment of hospital patients purchased by a  
22 lessor who leases the equipment, under a lease of one year or  
23 longer executed or in effect at the time the lessor would  
24 otherwise be subject to the tax imposed by this Act, to a  
25 hospital that has been issued an active tax exemption  
26 identification number by the Department under Section 1g of

1 the Retailers' Occupation Tax Act. If the equipment is leased  
2 in a manner that does not qualify for this exemption or is used  
3 in any other non-exempt manner, the lessor shall be liable for  
4 the tax imposed under this Act or the Service Use Tax Act, as  
5 the case may be, based on the fair market value of the property  
6 at the time the non-qualifying use occurs. No lessor shall  
7 collect or attempt to collect an amount (however designated)  
8 that purports to reimburse that lessor for the tax imposed by  
9 this Act or the Service Use Tax Act, as the case may be, if the  
10 tax has not been paid by the lessor. If a lessor improperly  
11 collects any such amount from the lessee, the lessee shall  
12 have a legal right to claim a refund of that amount from the  
13 lessor. If, however, that amount is not refunded to the lessee  
14 for any reason, the lessor is liable to pay that amount to the  
15 Department.

16 (23) Personal property purchased by a lessor who leases  
17 the property, under a lease of one year or longer executed or  
18 in effect at the time the lessor would otherwise be subject to  
19 the tax imposed by this Act, to a governmental body that has  
20 been issued an active sales tax exemption identification  
21 number by the Department under Section 1g of the Retailers'  
22 Occupation Tax Act. If the property is leased in a manner that  
23 does not qualify for this exemption or used in any other  
24 non-exempt manner, the lessor shall be liable for the tax  
25 imposed under this Act or the Service Use Tax Act, as the case  
26 may be, based on the fair market value of the property at the

1 time the non-qualifying use occurs. No lessor shall collect or  
2 attempt to collect an amount (however designated) that  
3 purports to reimburse that lessor for the tax imposed by this  
4 Act or the Service Use Tax Act, as the case may be, if the tax  
5 has not been paid by the lessor. If a lessor improperly  
6 collects any such amount from the lessee, the lessee shall  
7 have a legal right to claim a refund of that amount from the  
8 lessor. If, however, that amount is not refunded to the lessee  
9 for any reason, the lessor is liable to pay that amount to the  
10 Department.

11 (24) Beginning with taxable years ending on or after  
12 December 31, 1995 and ending with taxable years ending on or  
13 before December 31, 2004, personal property that is donated  
14 for disaster relief to be used in a State or federally declared  
15 disaster area in Illinois or bordering Illinois by a  
16 manufacturer or retailer that is registered in this State to a  
17 corporation, society, association, foundation, or institution  
18 that has been issued a sales tax exemption identification  
19 number by the Department that assists victims of the disaster  
20 who reside within the declared disaster area.

21 (25) Beginning with taxable years ending on or after  
22 December 31, 1995 and ending with taxable years ending on or  
23 before December 31, 2004, personal property that is used in  
24 the performance of infrastructure repairs in this State,  
25 including, but not limited to, municipal roads and streets,  
26 access roads, bridges, sidewalks, waste disposal systems,

1 water and sewer line extensions, water distribution and  
2 purification facilities, storm water drainage and retention  
3 facilities, and sewage treatment facilities, resulting from a  
4 State or federally declared disaster in Illinois or bordering  
5 Illinois when such repairs are initiated on facilities located  
6 in the declared disaster area within 6 months after the  
7 disaster.

8 (26) Beginning July 1, 1999, game or game birds purchased  
9 at a "game breeding and hunting preserve area" as that term is  
10 used in the Wildlife Code. This paragraph is exempt from the  
11 provisions of Section 3-90.

12 (27) A motor vehicle, as that term is defined in Section  
13 1-146 of the Illinois Vehicle Code, that is donated to a  
14 corporation, limited liability company, society, association,  
15 foundation, or institution that is determined by the  
16 Department to be organized and operated exclusively for  
17 educational purposes. For purposes of this exemption, "a  
18 corporation, limited liability company, society, association,  
19 foundation, or institution organized and operated exclusively  
20 for educational purposes" means all tax-supported public  
21 schools, private schools that offer systematic instruction in  
22 useful branches of learning by methods common to public  
23 schools and that compare favorably in their scope and  
24 intensity with the course of study presented in tax-supported  
25 schools, and vocational or technical schools or institutes  
26 organized and operated exclusively to provide a course of

1 study of not less than 6 weeks duration and designed to prepare  
2 individuals to follow a trade or to pursue a manual,  
3 technical, mechanical, industrial, business, or commercial  
4 occupation.

5 (28) Beginning January 1, 2000, personal property,  
6 including food, purchased through fundraising events for the  
7 benefit of a public or private elementary or secondary school,  
8 a group of those schools, or one or more school districts if  
9 the events are sponsored by an entity recognized by the school  
10 district that consists primarily of volunteers and includes  
11 parents and teachers of the school children. This paragraph  
12 does not apply to fundraising events (i) for the benefit of  
13 private home instruction or (ii) for which the fundraising  
14 entity purchases the personal property sold at the events from  
15 another individual or entity that sold the property for the  
16 purpose of resale by the fundraising entity and that profits  
17 from the sale to the fundraising entity. This paragraph is  
18 exempt from the provisions of Section 3-90.

19 (29) Beginning January 1, 2000 and through December 31,  
20 2001, new or used automatic vending machines that prepare and  
21 serve hot food and beverages, including coffee, soup, and  
22 other items, and replacement parts for these machines.  
23 Beginning January 1, 2002 and through June 30, 2003, machines  
24 and parts for machines used in commercial, coin-operated  
25 amusement and vending business if a use or occupation tax is  
26 paid on the gross receipts derived from the use of the

1 commercial, coin-operated amusement and vending machines. This  
2 paragraph is exempt from the provisions of Section 3-90.

3 (30) Beginning January 1, 2001 and through June 30, 2016,  
4 food for human consumption that is to be consumed off the  
5 premises where it is sold (other than alcoholic beverages,  
6 soft drinks, and food that has been prepared for immediate  
7 consumption) and prescription and nonprescription medicines,  
8 drugs, medical appliances, and insulin, urine testing  
9 materials, syringes, and needles used by diabetics, for human  
10 use, when purchased for use by a person receiving medical  
11 assistance under Article V of the Illinois Public Aid Code who  
12 resides in a licensed long-term care facility, as defined in  
13 the Nursing Home Care Act, or in a licensed facility as defined  
14 in the ID/DD Community Care Act, the MC/DD Act, or the  
15 Specialized Mental Health Rehabilitation Act of 2013.

16 (31) Beginning on August 2, 2001 (the effective date of  
17 Public Act 92-227), computers and communications equipment  
18 utilized for any hospital purpose and equipment used in the  
19 diagnosis, analysis, or treatment of hospital patients  
20 purchased by a lessor who leases the equipment, under a lease  
21 of one year or longer executed or in effect at the time the  
22 lessor would otherwise be subject to the tax imposed by this  
23 Act, to a hospital that has been issued an active tax exemption  
24 identification number by the Department under Section 1g of  
25 the Retailers' Occupation Tax Act. If the equipment is leased  
26 in a manner that does not qualify for this exemption or is used

1 in any other nonexempt manner, the lessor shall be liable for  
2 the tax imposed under this Act or the Service Use Tax Act, as  
3 the case may be, based on the fair market value of the property  
4 at the time the nonqualifying use occurs. No lessor shall  
5 collect or attempt to collect an amount (however designated)  
6 that purports to reimburse that lessor for the tax imposed by  
7 this Act or the Service Use Tax Act, as the case may be, if the  
8 tax has not been paid by the lessor. If a lessor improperly  
9 collects any such amount from the lessee, the lessee shall  
10 have a legal right to claim a refund of that amount from the  
11 lessor. If, however, that amount is not refunded to the lessee  
12 for any reason, the lessor is liable to pay that amount to the  
13 Department. This paragraph is exempt from the provisions of  
14 Section 3-90.

15 (32) Beginning on August 2, 2001 (the effective date of  
16 Public Act 92-227), personal property purchased by a lessor  
17 who leases the property, under a lease of one year or longer  
18 executed or in effect at the time the lessor would otherwise be  
19 subject to the tax imposed by this Act, to a governmental body  
20 that has been issued an active sales tax exemption  
21 identification number by the Department under Section 1g of  
22 the Retailers' Occupation Tax Act. If the property is leased  
23 in a manner that does not qualify for this exemption or used in  
24 any other nonexempt manner, the lessor shall be liable for the  
25 tax imposed under this Act or the Service Use Tax Act, as the  
26 case may be, based on the fair market value of the property at



1 the time the nonqualifying use occurs. No lessor shall collect  
2 or attempt to collect an amount (however designated) that  
3 purports to reimburse that lessor for the tax imposed by this  
4 Act or the Service Use Tax Act, as the case may be, if the tax  
5 has not been paid by the lessor. If a lessor improperly  
6 collects any such amount from the lessee, the lessee shall  
7 have a legal right to claim a refund of that amount from the  
8 lessor. If, however, that amount is not refunded to the lessee  
9 for any reason, the lessor is liable to pay that amount to the  
10 Department. This paragraph is exempt from the provisions of  
11 Section 3-90.

12 (33) On and after July 1, 2003 and through June 30, 2004,  
13 the use in this State of motor vehicles of the second division  
14 with a gross vehicle weight in excess of 8,000 pounds and that  
15 are subject to the commercial distribution fee imposed under  
16 Section 3-815.1 of the Illinois Vehicle Code. Beginning on  
17 July 1, 2004 and through June 30, 2005, the use in this State  
18 of motor vehicles of the second division: (i) with a gross  
19 vehicle weight rating in excess of 8,000 pounds; (ii) that are  
20 subject to the commercial distribution fee imposed under  
21 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that  
22 are primarily used for commercial purposes. Through June 30,  
23 2005, this exemption applies to repair and replacement parts  
24 added after the initial purchase of such a motor vehicle if  
25 that motor vehicle is used in a manner that would qualify for  
26 the rolling stock exemption otherwise provided for in this

1 Act. For purposes of this paragraph, the term "used for  
2 commercial purposes" means the transportation of persons or  
3 property in furtherance of any commercial or industrial  
4 enterprise, whether for-hire or not.

5 (34) Beginning January 1, 2008, tangible personal property  
6 used in the construction or maintenance of a community water  
7 supply, as defined under Section 3.145 of the Environmental  
8 Protection Act, that is operated by a not-for-profit  
9 corporation that holds a valid water supply permit issued  
10 under Title IV of the Environmental Protection Act. This  
11 paragraph is exempt from the provisions of Section 3-90.

12 (35) Beginning January 1, 2010 and continuing through  
13 December 31, 2029, materials, parts, equipment, components,  
14 and furnishings incorporated into or upon an aircraft as part  
15 of the modification, refurbishment, completion, replacement,  
16 repair, or maintenance of the aircraft. This exemption  
17 includes consumable supplies used in the modification,  
18 refurbishment, completion, replacement, repair, and  
19 maintenance of aircraft. However, until January 1, 2024, this  
20 exemption excludes any materials, parts, equipment,  
21 components, and consumable supplies used in the modification,  
22 replacement, repair, and maintenance of aircraft engines or  
23 power plants, whether such engines or power plants are  
24 installed or uninstalled upon any such aircraft. "Consumable  
25 supplies" include, but are not limited to, adhesive, tape,  
26 sandpaper, general purpose lubricants, cleaning solution,

1 latex gloves, and protective films.

2 Beginning January 1, 2010 and continuing through December  
3 31, 2023, this exemption applies only to the use of qualifying  
4 tangible personal property by 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. From January 1, 2024 through December 31, 2029,  
11 this exemption applies only to the use of qualifying tangible  
12 personal property by: (A) persons who modify, refurbish,  
13 complete, repair, replace, or maintain aircraft and who (i)  
14 hold an Air Agency Certificate and are empowered to operate an  
15 approved repair station by the Federal Aviation  
16 Administration, (ii) have a Class IV Rating, and (iii) conduct  
17 operations in accordance with Part 145 of the Federal Aviation  
18 Regulations; and (B) persons who engage in the modification,  
19 replacement, repair, and maintenance of aircraft engines or  
20 power plants without regard to whether or not those persons  
21 meet the qualifications of item (A).

22 The exemption does not include aircraft operated by a  
23 commercial air carrier providing scheduled passenger air  
24 service pursuant to authority issued under Part 121 or Part  
25 129 of the Federal Aviation Regulations. The changes made to  
26 this paragraph (35) by Public Act 98-534 are declarative of

1 existing law. It is the intent of the General Assembly that the  
2 exemption under this paragraph (35) applies continuously from  
3 January 1, 2010 through December 31, 2024; however, no claim  
4 for credit or refund is allowed for taxes paid as a result of  
5 the disallowance of this exemption on or after January 1, 2015  
6 and prior to February 5, 2020 (the effective date of Public Act  
7 101-629).

8 (36) Tangible personal property purchased by a  
9 public-facilities corporation, as described in Section  
10 11-65-10 of the Illinois Municipal Code, for purposes of  
11 constructing or furnishing a municipal convention hall, but  
12 only if the legal title to the municipal convention hall is  
13 transferred to the municipality without any further  
14 consideration by or on behalf of the municipality at the time  
15 of the completion of the municipal convention hall or upon the  
16 retirement or redemption of any bonds or other debt  
17 instruments issued by the public-facilities corporation in  
18 connection with the development of the municipal convention  
19 hall. This exemption includes existing public-facilities  
20 corporations as provided in Section 11-65-25 of the Illinois  
21 Municipal Code. This paragraph is exempt from the provisions  
22 of Section 3-90.

23 (37) Beginning January 1, 2017 and through December 31,  
24 2026, menstrual pads, tampons, and menstrual cups.

25 (38) Merchandise that is subject to the Rental Purchase  
26 Agreement Occupation and Use Tax. The purchaser must certify

1 that the item is purchased to be rented subject to a  
2 rental-purchase ~~rental-purchase~~ agreement, as defined in the  
3 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide  
4 proof of registration under the Rental Purchase Agreement  
5 Occupation and Use Tax Act. This paragraph is exempt from the  
6 provisions of Section 3-90.

7 (39) Tangible personal property purchased by a purchaser  
8 who is exempt from the tax imposed by this Act by operation of  
9 federal law. This paragraph is exempt from the provisions of  
10 Section 3-90.

11 (40) Qualified tangible personal property used in the  
12 construction or operation of a data center that has been  
13 granted a certificate of exemption by the Department of  
14 Commerce and Economic Opportunity, whether that tangible  
15 personal property is purchased by the owner, operator, or  
16 tenant of the data center or by a contractor or subcontractor  
17 of the owner, operator, or tenant. Data centers that would  
18 have qualified for a certificate of exemption prior to January  
19 1, 2020 had Public Act 101-31 been in effect may apply for and  
20 obtain an exemption for subsequent purchases of computer  
21 equipment or enabling software purchased or leased to upgrade,  
22 supplement, or replace computer equipment or enabling software  
23 purchased or leased in the original investment that would have  
24 qualified.

25 The Department of Commerce and Economic Opportunity shall  
26 grant a certificate of exemption under this item (40) to

1 qualified data centers as defined by Section 605-1025 of the  
2 Department of Commerce and Economic Opportunity Law of the  
3 Civil Administrative Code of Illinois.

4 For the purposes of this item (40):

5 "Data center" means a building or a series of  
6 buildings rehabilitated or constructed to house working  
7 servers in one physical location or multiple sites within  
8 the State of Illinois.

9 "Qualified tangible personal property" means:  
10 electrical systems and equipment; climate control and  
11 chilling equipment and systems; mechanical systems and  
12 equipment; monitoring and secure systems; emergency  
13 generators; hardware; computers; servers; data storage  
14 devices; network connectivity equipment; racks; cabinets;  
15 telecommunications cabling infrastructure; raised floor  
16 systems; peripheral components or systems; software;  
17 mechanical, electrical, or plumbing systems; battery  
18 systems; cooling systems and towers; temperature control  
19 systems; other cabling; and other data center  
20 infrastructure equipment and systems necessary to operate  
21 qualified tangible personal property, including fixtures;  
22 and component parts of any of the foregoing, including  
23 installation, maintenance, repair, refurbishment, and  
24 replacement of qualified tangible personal property to  
25 generate, transform, transmit, distribute, or manage  
26 electricity necessary to operate qualified tangible

1 personal property; and all other tangible personal  
2 property that is essential to the operations of a computer  
3 data center. The term "qualified tangible personal  
4 property" also includes building materials physically  
5 incorporated into ~~in to~~ the qualifying data center. To  
6 document the exemption allowed under this Section, the  
7 retailer must obtain from the purchaser a copy of the  
8 certificate of eligibility issued by the Department of  
9 Commerce and Economic Opportunity.

10 This item (40) is exempt from the provisions of Section  
11 3-90.

12 (41) Beginning July 1, 2022, breast pumps, breast pump  
13 collection and storage supplies, and breast pump kits. This  
14 item (41) is exempt from the provisions of Section 3-90. As  
15 used in this item (41):

16 "Breast pump" means an electrically controlled or  
17 manually controlled pump device designed or marketed to be  
18 used to express milk from a human breast during lactation,  
19 including the pump device and any battery, AC adapter, or  
20 other power supply unit that is used to power the pump  
21 device and is packaged and sold with the pump device at the  
22 time of sale.

23 "Breast pump collection and storage supplies" means  
24 items of tangible personal property designed or marketed  
25 to be used in conjunction with a breast pump to collect  
26 milk expressed from a human breast and to store collected

1 milk until it is ready for consumption.

2 "Breast pump collection and storage supplies"  
3 includes, but is not limited to: breast shields and breast  
4 shield connectors; breast pump tubes and tubing adapters;  
5 breast pump valves and membranes; backflow protectors and  
6 backflow protector adaptors; bottles and bottle caps  
7 specific to the operation of the breast pump; and breast  
8 milk storage bags.

9 "Breast pump collection and storage supplies" does not  
10 include: (1) bottles and bottle caps not specific to the  
11 operation of the breast pump; (2) breast pump travel bags  
12 and other similar carrying accessories, including ice  
13 packs, labels, and other similar products; (3) breast pump  
14 cleaning supplies; (4) nursing bras, bra pads, breast  
15 shells, and other similar products; and (5) creams,  
16 ointments, and other similar products that relieve  
17 breastfeeding-related symptoms or conditions of the  
18 breasts or nipples, unless sold as part of a breast pump  
19 kit that is pre-packaged by the breast pump manufacturer  
20 or distributor.

21 "Breast pump kit" means a kit that: (1) contains no  
22 more than a breast pump, breast pump collection and  
23 storage supplies, a rechargeable battery for operating the  
24 breast pump, a breastmilk cooler, bottle stands, ice  
25 packs, and a breast pump carrying case; and (2) is  
26 pre-packaged as a breast pump kit by the breast pump



1 manufacturer or distributor.

2 (42) Tangible personal property sold by or on behalf of  
3 the State Treasurer pursuant to the Revised Uniform Unclaimed  
4 Property Act. This item (42) is exempt from the provisions of  
5 Section 3-90.

6 (43) Beginning on January 1, 2024, tangible personal  
7 property purchased by an active duty member of the armed  
8 forces of the United States who presents valid military  
9 identification and purchases the property using a form of  
10 payment where the federal government is the payor. The member  
11 of the armed forces must complete, at the point of sale, a form  
12 prescribed by the Department of Revenue documenting that the  
13 transaction is eligible for the exemption under this  
14 paragraph. Retailers must keep the form as documentation of  
15 the exemption in their records for a period of not less than 6  
16 years. "Armed forces of the United States" means the United  
17 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
18 This paragraph is exempt from the provisions of Section 3-90.

19 (44) Use by the lessee of the following leased tangible  
20 personal property:

21 (1) software transferred subject to a license that  
22 meets the following requirements:

23 (A) it is evidenced by a written agreement signed  
24 by the licensor and the customer;

25 (i) an electronic agreement in which the  
26 customer accepts the license by means of an

1           electronic signature that is verifiable and can be  
2           authenticated and is attached to or made part of  
3           the license will comply with this requirement;

4           (ii) a license agreement in which the customer  
5           electronically accepts the terms by clicking "I  
6           agree" does not comply with this requirement;

7           (B) it restricts the customer's duplication and  
8           use of the software;

9           (C) it prohibits the customer from licensing,  
10          sublicensing, or transferring the software to a third  
11          party (except to a related party) without the  
12          permission and continued control of the licensor;

13          (D) the licensor has a policy of providing another  
14          copy at minimal or no charge if the customer loses or  
15          damages the software, or of permitting the licensee to  
16          make and keep an archival copy, and such policy is  
17          either stated in the license agreement, supported by  
18          the licensor's books and records, or supported by a  
19          notarized statement made under penalties of perjury by  
20          the licensor; and

21          (E) the customer must destroy or return all copies  
22          of the software to the licensor at the end of the  
23          license period; this provision is deemed to be met, in  
24          the case of a perpetual license, without being set  
25          forth in the license agreement; and

26          (2) property that is subject to a tax on lease

1       receipts imposed by a home rule unit of local government  
2       if the ordinance imposing that tax was adopted prior to  
3       January 1, 2023.

4       (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
5       Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,  
6       eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
7       Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,  
8       eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
9       revised 12-12-23.)

10       (35 ILCS 105/3-10)

11       Sec. 3-10. Rate of tax. Unless otherwise provided in this  
12       Section, the tax imposed by this Act is at the rate of 6.25% of  
13       either the selling price or the fair market value, if any, of  
14       the tangible personal property, which, on and after January 1,  
15       2025, includes leases of tangible personal property. In all  
16       cases where property functionally used or consumed is the same  
17       as the property that was purchased at retail, then the tax is  
18       imposed on the selling price of the property. In all cases  
19       where property functionally used or consumed is a by-product  
20       or waste product that has been refined, manufactured, or  
21       produced from property purchased at retail, then the tax is  
22       imposed on the lower of the fair market value, if any, of the  
23       specific property so used in this State or on the selling price  
24       of the property purchased at retail. For purposes of this  
25       Section "fair market value" means the price at which property

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

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

13 Beginning on August 6, 2010 through August 15, 2010, and  
14 beginning again on August 5, 2022 through August 14, 2022,  
15 with respect to sales tax holiday items as defined in Section  
16 3-6 of this Act, the tax is imposed at the rate of 1.25%.

17 With respect to gasohol, the tax imposed by this Act  
18 applies to (i) 70% of the proceeds of sales made on or after  
19 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
20 proceeds of sales made on or after July 1, 2003 and on or  
21 before July 1, 2017, (iii) 100% of the proceeds of sales made  
22 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
23 the proceeds of sales made on or after January 1, 2024 and on  
24 or before December 31, 2028, and (v) 100% of the proceeds of  
25 sales made after December 31, 2028. If, at any time, however,  
26 the tax under this Act on sales of gasohol is imposed at the

1 rate of 1.25%, then the tax imposed by this Act applies to 100%  
2 of the proceeds of sales of gasohol made during that time.

3 With respect to mid-range ethanol blends, the tax imposed  
4 by this Act applies to (i) 80% of the proceeds of sales made on  
5 or after January 1, 2024 and on or before December 31, 2028 and  
6 (ii) 100% of the proceeds of sales made thereafter. If, at any  
7 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 proceeds of sales of  
10 mid-range ethanol blends made during that time.

11 With respect to majority blended ethanol fuel, the tax  
12 imposed by this Act does not apply to the proceeds of sales  
13 made on or after July 1, 2003 and on or before December 31,  
14 2028 but applies to 100% of the proceeds of sales made  
15 thereafter.

16 With respect to biodiesel blends with no less than 1% and  
17 no more than 10% biodiesel, the tax imposed by this Act applies  
18 to (i) 80% of the proceeds of sales made on or after July 1,  
19 2003 and on or before December 31, 2018 and (ii) 100% of the  
20 proceeds of sales made after December 31, 2018 and before  
21 January 1, 2024. On and after January 1, 2024 and on or before  
22 December 31, 2030, the taxation of biodiesel, renewable  
23 diesel, and biodiesel blends shall be as provided in Section  
24 3-5.1. If, at any time, however, the tax under this Act on  
25 sales of biodiesel blends with no less than 1% and no more than  
26 10% biodiesel 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 biodiesel blends with no less than 1% and no more than 10%  
3 biodiesel made during that time.

4 With respect to biodiesel and biodiesel blends with more  
5 than 10% but no more than 99% biodiesel, the tax imposed by  
6 this Act does not apply to the proceeds of sales made on or  
7 after July 1, 2003 and on or before December 31, 2023. 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.

11 Until July 1, 2022 and beginning again on July 1, 2023,  
12 with respect to food for human consumption that is to be  
13 consumed off the premises where it is sold (other than  
14 alcoholic beverages, food consisting of or infused with adult  
15 use cannabis, soft drinks, and food that has been prepared for  
16 immediate consumption), the tax is imposed at the rate of 1%.  
17 Beginning on July 1, 2022 and until July 1, 2023, with respect  
18 to food for human consumption that is to be consumed off the  
19 premises where it is sold (other than alcoholic beverages,  
20 food consisting of or infused with adult use cannabis, soft  
21 drinks, and food that has been prepared for immediate  
22 consumption), the tax is imposed at the rate of 0%.

23 With respect to prescription and nonprescription  
24 medicines, drugs, medical appliances, products classified as  
25 Class III medical devices by the United States Food and Drug  
26 Administration that are used for cancer treatment pursuant to

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

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

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

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

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

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



1 definition of "over-the-counter-drugs". For the purposes of  
2 this paragraph, "over-the-counter-drug" means a drug for human  
3 use that contains a label that identifies the product as a drug  
4 as required by 21 CFR 201.66. The "over-the-counter-drug"  
5 label includes:

6 (A) a "Drug Facts" panel; or

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

10 Beginning on January 1, 2014 (the effective date of Public  
11 Act 98-122), "prescription and nonprescription medicines and  
12 drugs" includes medical cannabis purchased from a registered  
13 dispensing organization under the Compassionate Use of Medical  
14 Cannabis Program Act.

15 As used in this Section, "adult use cannabis" means  
16 cannabis subject to tax under the Cannabis Cultivation  
17 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
18 and does not include cannabis subject to tax under the  
19 Compassionate Use of Medical Cannabis Program Act.

20 If the property that is purchased at retail from a  
21 retailer is acquired outside Illinois and used outside  
22 Illinois before being brought to Illinois for use here and is  
23 taxable under this Act, the "selling price" on which the tax is  
24 computed shall be reduced by an amount that represents a  
25 reasonable allowance for depreciation for the period of prior  
26 out-of-state use. No depreciation is allowed in cases where

1 the tax under this Act is imposed on lease receipts.

2 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
3 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section  
4 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.  
5 4-19-22; 103-9, eff. 6-7-23; 103-154 eff. 6-30-23.)

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or  
8 likely multistate taxation, the tax imposed by this Act does  
9 not apply to the use of tangible personal property in this  
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal property  
12 acquired outside this State by a nonresident individual and  
13 brought into this State by the individual for his or her own  
14 use while temporarily within this State or while passing  
15 through this State.

16 (b) (Blank).

17 (c) The use, in this State, by owners or lessors,  
18 lessees, or shippers of tangible personal property that is  
19 utilized by interstate carriers for hire for use as rolling  
20 stock moving in interstate commerce as long as so used by the  
21 interstate carriers for hire, and equipment operated by a  
22 telecommunications provider, licensed as a common carrier by  
23 the Federal Communications Commission, which is permanently  
24 installed in or affixed to aircraft moving in interstate  
25 commerce.

1           (d) The use, in this State, of tangible personal property  
2 that is acquired outside this State and caused to be brought  
3 into this State by a person who has already paid a tax in  
4 another State in respect to the sale, purchase, or use of that  
5 property, to the extent of the amount of the tax properly due  
6 and paid in the other State.

7           (e) The temporary storage, in this State, of tangible  
8 personal property that is acquired outside this State and  
9 that, after being brought into this State and stored here  
10 temporarily, is used solely outside this State or is  
11 physically attached to or incorporated into other tangible  
12 personal property that is used solely outside this State, or  
13 is altered by converting, fabricating, manufacturing,  
14 printing, processing, or shaping, and, as altered, is used  
15 solely outside this State.

16           (f) The temporary storage in this State of building  
17 materials and fixtures that are acquired either in this State  
18 or outside this State by an Illinois registered combination  
19 retailer and construction contractor, and that the purchaser  
20 thereafter uses outside this State by incorporating that  
21 property into real estate located outside this State.

22           (g) The use or purchase of tangible personal property by a  
23 common 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 standard

1 uniform bill of lading showing the seller of the property as  
2 the shipper or consignor of the property to a destination  
3 outside Illinois, for use outside Illinois.

4 (h) Except as provided in subsection (h-1), the use, in  
5 this State, of a motor vehicle that was sold in this State to a  
6 nonresident, even though the motor vehicle is delivered to the  
7 nonresident in this State, if the motor vehicle is not to be  
8 titled in this State, and if a drive-away permit is issued to  
9 the motor vehicle as provided in Section 3-603 of the Illinois  
10 Vehicle Code or if the nonresident purchaser has vehicle  
11 registration plates to transfer to the motor vehicle upon  
12 returning to his or her home state. The issuance of the  
13 drive-away permit or having the out-of-state registration  
14 plates to be transferred shall be prima facie evidence that  
15 the motor vehicle will not be titled in this State.

16 (h-1) The exemption under subsection (h) does not apply if  
17 the state in which the motor vehicle will be titled does not  
18 allow a reciprocal exemption for the use in that state of a  
19 motor vehicle sold and delivered in that state to an Illinois  
20 resident but titled in Illinois. The tax collected under this  
21 Act on the sale of a motor vehicle in this State to a resident  
22 of another state that does not allow a reciprocal exemption  
23 shall be imposed at a rate equal to the state's rate of tax on  
24 taxable property in the state in which the purchaser is a  
25 resident, except that the tax shall not exceed the tax that  
26 would otherwise be imposed under this Act. At the time of the

1 sale, the purchaser shall execute a statement, signed under  
2 penalty of perjury, of his or her intent to title the vehicle  
3 in the state in which the purchaser is a resident within 30  
4 days after the sale and of the fact of the payment to the State  
5 of Illinois of tax in an amount equivalent to the state's rate  
6 of tax on taxable property in his or her state of residence and  
7 shall submit the statement to the appropriate tax collection  
8 agency in his or her state of residence. In addition, the  
9 retailer must retain a signed copy of the statement in his or  
10 her records. Nothing in this subsection shall be construed to  
11 require the removal of the vehicle from this state following  
12 the filing of an intent to title the vehicle in the purchaser's  
13 state of residence if the purchaser titles the vehicle in his  
14 or her state of residence within 30 days after the date of  
15 sale. The tax collected under this Act in accordance with this  
16 subsection (h-1) shall be proportionately distributed as if  
17 the tax were collected at the 6.25% general rate imposed under  
18 this Act.

19 (h-2) The following exemptions apply with respect to  
20 certain aircraft:

21 (1) Beginning on July 1, 2007, no tax is imposed under  
22 this Act on the purchase of an aircraft, as defined in  
23 Section 3 of the Illinois Aeronautics Act, if all of the  
24 following conditions are met:

25 (A) the aircraft leaves this State within 15 days  
26 after the later of either the issuance of the final

1 billing for the purchase of the aircraft or the  
2 authorized approval for return to service, completion  
3 of the maintenance record entry, and completion of the  
4 test flight and ground test for inspection, as  
5 required by 14 C.F.R. 91.407;

6 (B) the aircraft is not based or registered in  
7 this State after the purchase of the aircraft; and

8 (C) the purchaser provides the Department with a  
9 signed and dated certification, on a form prescribed  
10 by the Department, certifying that the requirements of  
11 this item (1) are met. The certificate must also  
12 include the name and address of the purchaser, the  
13 address of the location where the aircraft is to be  
14 titled or registered, the address of the primary  
15 physical location of the aircraft, and other  
16 information that the Department may reasonably  
17 require.

18 (2) Beginning on July 1, 2007, no tax is imposed under  
19 this Act on the use of an aircraft, as defined in Section 3  
20 of the Illinois Aeronautics Act, that is temporarily  
21 located in this State for the purpose of a prepurchase  
22 evaluation if all of the following conditions are met:

23 (A) the aircraft is not based or registered in  
24 this State after the prepurchase evaluation; and

25 (B) the purchaser provides the Department with a  
26 signed and dated certification, on a form prescribed

1 by the Department, certifying that the requirements of  
2 this item (2) are met. The certificate must also  
3 include the name and address of the purchaser, the  
4 address of the location where the aircraft is to be  
5 titled or registered, the address of the primary  
6 physical location of the aircraft, and other  
7 information that the Department may reasonably  
8 require.

9 (3) Beginning on July 1, 2007, no tax is imposed under  
10 this Act on the use of an aircraft, as defined in Section 3  
11 of the Illinois Aeronautics Act, that is temporarily  
12 located in this State for the purpose of a post-sale  
13 customization if all of the following conditions are met:

14 (A) the aircraft leaves this State within 15 days  
15 after the authorized approval for return to service,  
16 completion of the maintenance record entry, and  
17 completion of the test flight and ground test for  
18 inspection, as required by 14 C.F.R. 91.407;

19 (B) the aircraft is not based or registered in  
20 this State either before or after the post-sale  
21 customization; and

22 (C) the purchaser provides the Department with a  
23 signed and dated certification, on a form prescribed  
24 by the Department, certifying that the requirements of  
25 this item (3) are met. The certificate must also  
26 include the name and address of the purchaser, the

1 address of the location where the aircraft is to be  
2 titled or registered, the address of the primary  
3 physical location of the aircraft, and other  
4 information that the Department may reasonably  
5 require.

6 If tax becomes due under this subsection (h-2) because of  
7 the purchaser's use of the aircraft in this State, the  
8 purchaser shall file a return with the Department and pay the  
9 tax on the fair market value of the aircraft. This return and  
10 payment of the tax must be made no later than 30 days after the  
11 aircraft is used in a taxable manner in this State. The tax is  
12 based on the fair market value of the aircraft on the date that  
13 it is first used in a taxable manner in this State.

14 For purposes of this subsection (h-2):

15 "Based in this State" means hangared, stored, or otherwise  
16 used, excluding post-sale customizations as defined in this  
17 Section, for 10 or more days in each 12-month period  
18 immediately following the date of the sale of the aircraft.

19 "Post-sale customization" means any improvement,  
20 maintenance, or repair that is performed on an aircraft  
21 following a transfer of ownership of the aircraft.

22 "Prepurchase evaluation" means an examination of an  
23 aircraft to provide a potential purchaser with information  
24 relevant to the potential purchase.

25 "Registered in this State" means an aircraft registered  
26 with the Department of Transportation, Aeronautics Division,



1 or titled or registered with the Federal Aviation  
2 Administration to an address located in this State.

3 This subsection (h-2) is exempt from the provisions of  
4 Section 3-90.

5 (i) Beginning July 1, 1999, the use, in this State, of fuel  
6 acquired outside this State and brought into this State in the  
7 fuel supply tanks of locomotives engaged in freight hauling  
8 and passenger service for interstate commerce. This subsection  
9 is exempt from the provisions of Section 3-90.

10 (j) Beginning on January 1, 2002 and through June 30,  
11 2016, the use of tangible personal property purchased from an  
12 Illinois retailer by a taxpayer engaged in centralized  
13 purchasing activities in Illinois who will, upon receipt of  
14 the property in Illinois, temporarily store the property in  
15 Illinois (i) for the purpose of subsequently transporting it  
16 outside this State for use or consumption thereafter solely  
17 outside this State or (ii) for the purpose of being processed,  
18 fabricated, or manufactured into, attached to, or incorporated  
19 into other tangible personal property to be transported  
20 outside this State and thereafter used or consumed solely  
21 outside this State. The Director of Revenue shall, pursuant to  
22 rules 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 subsection (j). The permit issued under this subsection  
26 (j) shall authorize the holder, to the extent and in the manner

1 specified in the rules adopted under this Act, to purchase  
2 tangible personal property from a retailer exempt from the  
3 taxes imposed by this Act. Taxpayers shall maintain all  
4 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 (Source: P.A. 100-321, eff. 8-24-17.)

8 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

9 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
10 and trailers that are required to be registered with an agency  
11 of this State, each retailer required or authorized to collect  
12 the tax imposed by this Act shall pay to the Department the  
13 amount of such tax (except as otherwise provided) at the time  
14 when he is required to file his return for the period during  
15 which such tax was collected, less a discount of 2.1% prior to  
16 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
17 per calendar year, whichever is greater, which is allowed to  
18 reimburse the retailer for expenses incurred in collecting the  
19 tax, keeping records, preparing and filing returns, remitting  
20 the tax and supplying data to the Department on request. When  
21 determining the discount allowed under this Section, retailers  
22 shall include the amount of tax that would have been due at the  
23 6.25% rate but for the 1.25% rate imposed on sales tax holiday  
24 items under Public Act 102-700. The discount under this  
25 Section is not allowed for the 1.25% portion of taxes paid on

1 aviation fuel that is subject to the revenue use requirements  
2 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. When determining  
3 the discount allowed under this Section, retailers shall  
4 include the amount of tax that would have been due at the 1%  
5 rate but for the 0% rate imposed under Public Act 102-700. In  
6 the case of retailers who report and pay the tax on a  
7 transaction by transaction basis, as provided in this Section,  
8 such discount shall be taken with each such tax remittance  
9 instead of when such retailer files his periodic return. The  
10 discount allowed under this Section is allowed only for  
11 returns that are filed in the manner required by this Act. The  
12 Department may disallow the discount for retailers whose  
13 certificate of registration is revoked at the time the return  
14 is filed, but only if the Department's decision to revoke the  
15 certificate of registration has become final. A retailer need  
16 not remit that part of any tax collected by him to the extent  
17 that he is required to remit and does remit the tax imposed by  
18 the Retailers' Occupation Tax Act, with respect to the sale of  
19 the same property.

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

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

4 In the case of leases, except as otherwise provided in  
5 this Act, the lessor, in collecting the tax, may collect for  
6 each tax return period, only the tax applicable to that part of  
7 the selling price actually received during such tax return  
8 period.

9 Except as provided in this Section, on or before the  
10 twentieth day of each calendar month, such retailer shall file  
11 a return for the preceding calendar month. Such return shall  
12 be filed on forms prescribed by the Department and shall  
13 furnish such information as the Department may reasonably  
14 require. The return shall include the gross receipts on food  
15 for human consumption that is to be consumed off the premises  
16 where it is sold (other than alcoholic beverages, food  
17 consisting of or infused with adult use cannabis, soft drinks,  
18 and food that has been prepared for immediate consumption)  
19 which were received during the preceding calendar month,  
20 quarter, or year, as appropriate, and upon which tax would  
21 have been due but for the 0% rate imposed under Public Act  
22 102-700. The return shall also include the amount of tax that  
23 would have been due on food for human consumption that is to be  
24 consumed off the premises where it is sold (other than  
25 alcoholic beverages, food consisting of or infused with adult  
26 use cannabis, soft drinks, and food that has been prepared for

1 immediate consumption) but for the 0% rate imposed under  
2 Public Act 102-700.

3 On and after January 1, 2018, except for returns required  
4 to be filed prior to January 1, 2023 for motor vehicles,  
5 watercraft, aircraft, and trailers that are required to be  
6 registered with an agency of this State, with respect to  
7 retailers whose annual gross receipts average \$20,000 or more,  
8 all returns required to be filed pursuant to this Act shall be  
9 filed electronically. On and after January 1, 2023, with  
10 respect to retailers whose annual gross receipts average  
11 \$20,000 or more, all returns required to be filed pursuant to  
12 this Act, including, but not limited to, returns for motor  
13 vehicles, watercraft, aircraft, and trailers that are required  
14 to be registered with an agency of this State, shall be filed  
15 electronically. Retailers who demonstrate that they do not  
16 have access to the Internet or demonstrate hardship in filing  
17 electronically may petition the Department to waive the  
18 electronic filing requirement.

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

- 26 1. The name of the seller;

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

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

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

11          5. The amount of tax due;

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

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

15          Each retailer required or authorized to collect the tax  
16          imposed by this Act on aviation fuel sold at retail in this  
17          State during the preceding calendar month shall, instead of  
18          reporting and paying tax on aviation fuel as otherwise  
19          required by this Section, report and pay such tax on a separate  
20          aviation fuel tax return. The requirements related to the  
21          return shall be as otherwise provided in this Section.  
22          Notwithstanding any other provisions of this Act to the  
23          contrary, retailers collecting tax on aviation fuel shall file  
24          all aviation fuel tax returns and shall make all aviation fuel  
25          tax payments by electronic means in the manner and form  
26          required by the Department. For purposes of this Section,

1 "aviation fuel" means jet fuel and aviation gasoline.

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

6 Notwithstanding any other provision of this Act to the  
7 contrary, retailers subject to tax on cannabis shall file all  
8 cannabis tax returns and shall make all cannabis tax payments  
9 by electronic means in the manner and form required by the  
10 Department.

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

1 immediately preceding calendar year. The term "average monthly  
2 tax liability" means 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 divided by 12. Beginning  
6 on October 1, 2002, a taxpayer who has a tax liability in the  
7 amount set forth in subsection (b) of Section 2505-210 of the  
8 Department of Revenue Law shall make all payments required by  
9 rules of the Department by electronic funds transfer.

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

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

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

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

25 Before October 1, 2000, if the taxpayer's average monthly  
26 tax liability to the Department under this Act, the Retailers'



1 Occupation Tax Act, the Service Occupation Tax Act, the  
2 Service Use Tax Act was \$10,000 or more during the preceding 4  
3 complete calendar quarters, he shall file a return with the  
4 Department each month by the 20th day of the month next  
5 following the month during which such tax liability is  
6 incurred and shall make payments to the Department on or  
7 before the 7th, 15th, 22nd and last day of the month during  
8 which such liability is incurred. On and after October 1,  
9 2000, if the taxpayer's average monthly tax liability to the  
10 Department under this Act, the Retailers' Occupation Tax Act,  
11 the Service Occupation Tax Act, and the Service Use Tax 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 shall  
26 continue until such taxpayer's average monthly liability to

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

1 Department for a change in such taxpayer's reporting status.  
2 The Department shall change such taxpayer's reporting status  
3 unless it finds that such change is seasonal in nature and not  
4 likely to be long term. Quarter monthly payment status shall  
5 be determined under this paragraph as if the rate reduction to  
6 1.25% in Public Act 102-700 on sales tax holiday items had not  
7 occurred. For quarter monthly payments due on or after July 1,  
8 2023 and through June 30, 2024, "25% of the taxpayer's  
9 liability for the same calendar month of the preceding year"  
10 shall be determined as if the rate reduction to 1.25% in Public  
11 Act 102-700 on sales tax holiday items had not occurred.  
12 Quarter monthly payment status shall be determined under this  
13 paragraph as if the rate reduction to 0% in Public Act 102-700  
14 on food for human consumption that is to be consumed off the  
15 premises where it is sold (other than alcoholic beverages,  
16 food consisting of or infused with adult use cannabis, soft  
17 drinks, and food that has been prepared for immediate  
18 consumption) had not occurred. For quarter monthly payments  
19 due under this paragraph on or after July 1, 2023 and through  
20 June 30, 2024, "25% of the taxpayer's liability for the same  
21 calendar month of the preceding year" shall be determined as  
22 if the rate reduction to 0% in Public Act 102-700 had not  
23 occurred. If any such quarter monthly payment is not paid at  
24 the time or in the amount required by this Section, then the  
25 taxpayer shall be liable for penalties and interest on the  
26 difference between the minimum amount due and the amount of

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

9 If any such payment provided for in this Section exceeds  
10 the taxpayer's liabilities under this Act, the Retailers'  
11 Occupation Tax Act, the Service Occupation Tax Act and the  
12 Service Use Tax Act, as shown by an original monthly return,  
13 the Department shall issue to the taxpayer a credit memorandum  
14 no later than 30 days after the date of payment, which  
15 memorandum may be submitted by the taxpayer to the Department  
16 in payment of tax liability subsequently to be remitted by the  
17 taxpayer to the Department or be assigned by the taxpayer to a  
18 similar taxpayer under this Act, the Retailers' Occupation Tax  
19 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
20 in accordance with reasonable rules and regulations to be  
21 prescribed by the Department, except that if such excess  
22 payment is shown on an original monthly return and is made  
23 after December 31, 1986, no credit memorandum shall be issued,  
24 unless requested by the taxpayer. If no such request is made,  
25 the taxpayer may credit such excess payment against tax  
26 liability subsequently to be remitted by the taxpayer to the

1 Department under this Act, the Retailers' Occupation Tax Act,  
2 the Service Occupation Tax Act or the Service Use Tax Act, in  
3 accordance with reasonable rules and regulations prescribed by  
4 the Department. If the Department subsequently determines that  
5 all or any part of the credit taken was not actually due to the  
6 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
7 be reduced by 2.1% or 1.75% of the difference between the  
8 credit taken and that actually due, and the taxpayer shall be  
9 liable for penalties and interest on such difference.

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

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

1           Such quarter annual and annual returns, as to form and  
2 substance, shall be subject to the same requirements as  
3 monthly returns.

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

11           In addition, with respect to motor vehicles, watercraft,  
12 aircraft, and trailers that are required to be registered with  
13 an agency of this State, except as otherwise provided in this  
14 Section, every retailer selling this kind of tangible personal  
15 property shall file, with the Department, upon a form to be  
16 prescribed and supplied by the Department, a separate return  
17 for each such item of tangible personal property which the  
18 retailer sells, except that if, in the same transaction, (i) a  
19 retailer of aircraft, watercraft, motor vehicles or trailers  
20 transfers more than one aircraft, watercraft, motor vehicle or  
21 trailer to another aircraft, watercraft, motor vehicle or  
22 trailer retailer for the purpose of resale or (ii) a retailer  
23 of aircraft, watercraft, motor vehicles, or trailers transfers  
24 more than one aircraft, watercraft, motor vehicle, or trailer  
25 to a purchaser for use as a qualifying rolling stock as  
26 provided in Section 3-55 of this Act, then that seller may

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

8 In addition, with respect to motor vehicles, watercraft,  
9 aircraft, and trailers that are required to be registered with  
10 an agency of this State, every person who is engaged in the  
11 business of leasing or renting such items and who, in  
12 connection with such business, sells any such item to a  
13 retailer for the purpose of resale is, notwithstanding any  
14 other provision of this Section to the contrary, authorized to  
15 meet the return-filing requirement of this Act by reporting  
16 the transfer of all the aircraft, watercraft, motor vehicles,  
17 or trailers transferred for resale during a month to the  
18 Department on the same uniform invoice-transaction reporting  
19 return form on or before the 20th of the month following the  
20 month in which the transfer takes place. Notwithstanding any  
21 other provision of this Act to the contrary, all returns filed  
22 under this paragraph must be filed by electronic means in the  
23 manner and form as required by the Department.

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



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

19 The transaction reporting return in the case of watercraft  
20 and aircraft must show the name and address of the seller; the  
21 name and address of the purchaser; the amount of the selling  
22 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, and  
8 such other information as the Department may reasonably  
9 require.

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

22 With each such transaction reporting return, the retailer  
23 shall remit the proper amount of tax due (or shall submit  
24 satisfactory evidence that the sale is not taxable if that is  
25 the case), to the Department or its agents, whereupon the  
26 Department shall issue, in the purchaser's name, a tax receipt

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

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

17 If the user who would otherwise pay tax to the retailer  
18 wants the transaction reporting return filed and the payment  
19 of tax or proof of exemption made to the Department before the  
20 retailer is willing to take these actions and such user has not  
21 paid the tax to the retailer, such user may certify to the fact  
22 of such delay by the retailer, and may (upon the Department  
23 being satisfied of the truth of such certification) transmit  
24 the information required by the transaction reporting return  
25 and the remittance for tax or proof of exemption directly to  
26 the Department and obtain his tax receipt or exemption

1 determination, in which event the transaction reporting return  
2 and tax remittance (if a tax payment was required) shall be  
3 credited by the Department to the proper retailer's account  
4 with the Department, but without the 2.1% or 1.75% discount  
5 provided for in this Section being allowed. When the user pays  
6 the tax directly to the Department, he shall pay the tax in the  
7 same amount and in the same form in which it would be remitted  
8 if the tax had been remitted to the Department by the retailer.

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

25 Any retailer filing a return under this Section shall also  
26 include (for the purpose of paying tax thereon) the total tax

1 covered by such return upon the selling price of tangible  
2 personal property purchased by him at retail from a retailer,  
3 but as to which the tax imposed by this Act was not collected  
4 from the retailer filing such return, and such retailer shall  
5 remit the amount of such tax to the Department when filing such  
6 return.

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

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

18 Beginning January 1, 1990, each month the Department shall  
19 pay into the State and Local Sales Tax Reform Fund, a special  
20 fund in the State Treasury which is hereby created, the net  
21 revenue realized for the preceding month from the 1% tax  
22 imposed under this Act.

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the County and Mass Transit District Fund 4% of the  
25 net revenue realized for the preceding month from the 6.25%  
26 general rate on the selling price of tangible personal

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

4 Beginning January 1, 1990, each month the Department shall  
5 pay into the State and Local Sales Tax Reform Fund, a special  
6 fund in the State Treasury, 20% of the net revenue realized for  
7 the preceding month from the 6.25% general rate on the selling  
8 price of tangible personal property, other than (i) tangible  
9 personal property which is purchased outside Illinois at  
10 retail from a retailer and which is titled or registered by an  
11 agency of this State's government and (ii) aviation fuel sold  
12 on or after December 1, 2019. This exception for aviation fuel  
13 only applies for so long as the revenue use requirements of 49  
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

15 For aviation fuel sold on or after December 1, 2019, each  
16 month the Department shall pay into the State Aviation Program  
17 Fund 20% of the net revenue realized for the preceding month  
18 from the 6.25% general rate on the selling price of aviation  
19 fuel, less an amount estimated by the Department to be  
20 required for refunds of the 20% portion of the tax on aviation  
21 fuel under this Act, which amount shall be deposited into the  
22 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
23 pay moneys into the State Aviation Program Fund and the  
24 Aviation Fuels Sales Tax Refund Fund under this Act for so long  
25 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
26 U.S.C. 47133 are binding on the State.

1           Beginning August 1, 2000, each month the Department shall  
2 pay into the State and Local Sales Tax Reform Fund 100% of the  
3 net revenue realized for the preceding month from the 1.25%  
4 rate on the selling price of motor fuel and gasohol. If, in any  
5 month, the tax on sales tax holiday items, as defined in  
6 Section 3-6, is imposed at the rate of 1.25%, then the  
7 Department shall pay 100% of the net revenue realized for that  
8 month from the 1.25% rate on the selling price of sales tax  
9 holiday items into the State and Local Sales Tax Reform Fund.

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

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

24           Beginning July 1, 2011, each month the Department shall  
25 pay into the Clean Air Act Permit Fund 80% of the net revenue  
26 realized for the preceding month from the 6.25% general rate

1 on the selling price of sorbents used in Illinois in the  
2 process of sorbent injection as used to comply with the  
3 Environmental Protection Act or the federal Clean Air Act, but  
4 the total payment into the Clean Air Act Permit Fund under this  
5 Act and the Retailers' Occupation Tax Act shall not exceed  
6 \$2,000,000 in any fiscal year.

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

22 Beginning July 1, 2015, of the remainder of the moneys  
23 received by the Department under this Act, the Service Use Tax  
24 Act, the Service Occupation Tax Act, and the Retailers'  
25 Occupation Tax Act, each month the Department shall deposit  
26 \$500,000 into the State Crime Laboratory Fund.



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

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

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

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

1	Fiscal Year	Total Deposit
2	1993	\$0
3	1994	53,000,000
4	1995	58,000,000
5	1996	61,000,000
6	1997	64,000,000
7	1998	68,000,000
8	1999	71,000,000
9	2000	75,000,000
10	2001	80,000,000
11	2002	93,000,000
12	2003	99,000,000
13	2004	103,000,000
14	2005	108,000,000
15	2006	113,000,000
16	2007	119,000,000
17	2008	126,000,000
18	2009	132,000,000
19	2010	139,000,000
20	2011	146,000,000
21	2012	153,000,000
22	2013	161,000,000
23	2014	170,000,000
24	2015	179,000,000
25	2016	189,000,000
26	2017	199,000,000

1	2018	210,000,000
2	2019	221,000,000
3	2020	233,000,000
4	2021	300,000,000
5	2022	300,000,000
6	2023	300,000,000
7	2024	300,000,000
8	2025	300,000,000
9	2026	300,000,000
10	2027	375,000,000
11	2028	375,000,000
12	2029	375,000,000
13	2030	375,000,000
14	2031	375,000,000
15	2032	375,000,000
16	2033	375,000,000
17	2034	375,000,000
18	2035	375,000,000
19	2036	450,000,000

20 and  
21 each fiscal year  
22 thereafter that bonds  
23 are outstanding under  
24 Section 13.2 of the  
25 Metropolitan Pier and  
26 Exposition Authority Act,

1 but not after fiscal year 2060.

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

15 Subject to payment of amounts into the Capital Projects  
16 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
17 and the McCormick Place Expansion Project Fund pursuant to the  
18 preceding paragraphs or in any amendments thereto hereafter  
19 enacted, for aviation fuel sold on or after December 1, 2019,  
20 the Department shall each month deposit into the Aviation Fuel  
21 Sales Tax Refund Fund an amount estimated by the Department to  
22 be required for refunds of the 80% portion of the tax on  
23 aviation fuel under this Act. The Department shall only  
24 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
25 under this paragraph for so long as the revenue use  
26 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are

1 binding on the State.

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

10 Subject to payment of amounts into the Build Illinois  
11 Fund, the McCormick Place Expansion Project Fund, the Illinois  
12 Tax Increment Fund, and the Energy Infrastructure Fund  
13 pursuant to the preceding paragraphs or in any amendments to  
14 this Section hereafter enacted, beginning on the first day of  
15 the first calendar month to occur on or after August 26, 2014  
16 (the effective date of Public Act 98-1098), each month, from  
17 the collections made under Section 9 of the Use Tax Act,  
18 Section 9 of the Service Use Tax Act, Section 9 of the Service  
19 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
20 Tax Act, the Department shall pay into the Tax Compliance and  
21 Administration Fund, to be used, subject to appropriation, to  
22 fund additional auditors and compliance personnel at the  
23 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
24 the cash receipts collected during the preceding fiscal year  
25 by the Audit Bureau of the Department under the Use Tax Act,  
26 the Service Use Tax Act, the Service Occupation Tax Act, the

1 Retailers' Occupation Tax Act, and associated local occupation  
2 and use taxes administered by the Department.

3 Subject to payments of amounts into the Build Illinois  
4 Fund, the McCormick Place Expansion Project Fund, the Illinois  
5 Tax Increment Fund, and the Tax Compliance and Administration  
6 Fund as provided in this Section, beginning on July 1, 2018 the  
7 Department shall pay each month into the Downstate Public  
8 Transportation Fund the moneys required to be so paid under  
9 Section 2-3 of the Downstate Public Transportation Act.

10 Subject to successful execution and delivery of a  
11 public-private agreement between the public agency and private  
12 entity and completion of the civic build, beginning on July 1,  
13 2023, of the remainder of the moneys received by the  
14 Department under the Use Tax Act, the Service Use Tax Act, the  
15 Service Occupation Tax Act, and this Act, the Department shall  
16 deposit the following specified deposits in the aggregate from  
17 collections under the Use Tax Act, the Service Use Tax Act, the  
18 Service Occupation Tax Act, and the Retailers' Occupation Tax  
19 Act, as required under Section 8.25g of the State Finance Act  
20 for distribution consistent with the Public-Private  
21 Partnership for Civic and Transit Infrastructure Project Act.  
22 The moneys received by the Department pursuant to this Act and  
23 required to be deposited into the Civic and Transit  
24 Infrastructure Fund are subject to the pledge, claim, and  
25 charge set forth in Section 25-55 of the Public-Private  
26 Partnership for Civic and Transit Infrastructure Project Act.



1 As used in this paragraph, "civic build", "private entity",  
 2 "public-private agreement", and "public agency" have the  
 3 meanings provided in Section 25-10 of the Public-Private  
 4 Partnership for Civic and Transit Infrastructure Project Act.

5	Fiscal Year.....	Total Deposit
6	2024 .....	\$200,000,000
7	2025 .....	\$206,000,000
8	2026 .....	\$212,200,000
9	2027 .....	\$218,500,000
10	2028 .....	\$225,100,000
11	2029 .....	\$288,700,000
12	2030 .....	\$298,900,000
13	2031 .....	\$309,300,000
14	2032 .....	\$320,100,000
15	2033 .....	\$331,200,000
16	2034 .....	\$341,200,000
17	2035 .....	\$351,400,000
18	2036 .....	\$361,900,000
19	2037 .....	\$372,800,000
20	2038 .....	\$384,000,000
21	2039 .....	\$395,500,000
22	2040 .....	\$407,400,000
23	2041 .....	\$419,600,000
24	2042 .....	\$432,200,000
25	2043 .....	\$445,100,000

26 Beginning July 1, 2021 and until July 1, 2022, subject to

1 the payment of amounts into the State and Local Sales Tax  
2 Reform Fund, the Build Illinois Fund, the McCormick Place  
3 Expansion Project Fund, the Illinois Tax Increment Fund, and  
4 the Tax 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 16% of the net revenue  
7 realized from the taxes imposed on motor fuel and gasohol.  
8 Beginning July 1, 2022 and until July 1, 2023, 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 32% of the net revenue  
15 realized from the taxes imposed on motor fuel and gasohol.  
16 Beginning July 1, 2023 and until July 1, 2024, 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 48% of the net revenue  
23 realized from the taxes imposed on motor fuel and gasohol.  
24 Beginning July 1, 2024 and until July 1, 2025, subject to the  
25 payment of amounts into the State and Local Sales Tax Reform  
26 Fund, the Build Illinois Fund, the McCormick Place Expansion

1 Project Fund, the Illinois Tax Increment Fund, and the Tax  
2 Compliance and Administration Fund as provided in this  
3 Section, the Department shall pay each month into the Road  
4 Fund the amount estimated to represent 64% of the net revenue  
5 realized from the taxes imposed on motor fuel and gasohol.  
6 Beginning on July 1, 2025, subject to the payment of amounts  
7 into the State and Local Sales Tax Reform Fund, the Build  
8 Illinois Fund, the McCormick Place Expansion Project Fund, the  
9 Illinois Tax Increment Fund, and the Tax Compliance and  
10 Administration Fund as provided in this Section, the  
11 Department shall pay each month into the Road Fund the amount  
12 estimated to represent 80% of the net revenue realized from  
13 the taxes imposed on motor fuel and gasohol. As used in this  
14 paragraph "motor fuel" has the meaning given to that term in  
15 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the  
16 meaning given to that term in Section 3-40 of this Act.

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

23 As soon as possible after the first day of each month, upon  
24 certification of the Department of Revenue, the Comptroller  
25 shall order transferred and the Treasurer shall transfer from  
26 the General Revenue Fund to the Motor Fuel Tax Fund an amount

1 equal to 1.7% of 80% of the net revenue realized under this Act  
2 for the second preceding month. Beginning April 1, 2000, this  
3 transfer is no longer required and shall not be made.

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

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

15 (Source: P.A. 102-700, Article 60, Section 60-15, eff.  
16 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;  
17 102-1019, eff. 1-1-23; 103-154, eff. 6-30-23; 103-363, eff.  
18 7-28-23.)

19 Section 75-10. The Service Use Tax Act is amended by  
20 changing Sections 2, 3, 3-5, 3-10, and 9 and by adding Section  
21 1.05 as follows:

22 (35 ILCS 110/1.05 new)

23 Sec. 1.05. Legislative intent; leases. It is the intent of  
24 the General Assembly in enacting this amendatory Act of the

1 103rd General Assembly to apply the tax imposed under this  
2 Act, except as otherwise provided in this Act, to the  
3 privilege of using tangible personal property, other than  
4 motor vehicles, watercraft, aircraft, and semitrailers, as  
5 defined in Section 1-187 of the Illinois Vehicle Code, that  
6 are required to be registered with an agency of this State,  
7 transferred by lease, as an incident of a purchase of service,  
8 for leases in effect, entered into, or renewed on or after  
9 January 1, 2025.

10 (35 ILCS 110/2) (from Ch. 120, par. 439.32)

11 Sec. 2. Definitions. In this Act:

12 "Use" means the exercise by any person of any right or  
13 power over tangible personal property incident to the  
14 ownership of that property, or, on and after January 1, 2025,  
15 incident to the possession or control of, the right to possess  
16 or control, or a license to use that property through a lease,  
17 but does not include the sale or use for demonstration by him  
18 of that property in any form as tangible personal property in  
19 the regular course of business. "Use" does not mean the  
20 interim use of tangible personal property. On and after  
21 January 1, 2025, the lease of tangible personal property to a  
22 lessee by a serviceman who is subject to tax on lease receipts  
23 under this amendatory Act of the 103rd General Assembly does  
24 not qualify as demonstration use or interim use of that  
25 property. "Use" does not mean ~~nor~~ the physical incorporation

1 of tangible personal property, 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.

8 "Lease" means a transfer of the possession or control of,  
9 the right to possess or control, or a license to use, but not  
10 title to, tangible personal property for a fixed or  
11 indeterminate term for consideration, regardless of the name  
12 by which the transaction is called. "Lease" does not include a  
13 lease entered into merely as a security agreement that does  
14 not involve a transfer of possession from the lessor to the  
15 lessee.

16 On and after January 1, 2025, the term "sale", when used in  
17 this Act with respect to tangible personal property, includes  
18 a lease.

19 "Purchased from a serviceman" means the acquisition of the  
20 ownership of, the ~~or~~ title to, the possession or control of,  
21 the right to possess or control, or a license to use, tangible  
22 personal property through a sale of service.

23 "Purchaser" means any person who, through a sale of  
24 service, acquires the ownership of, the ~~or~~ title to, the  
25 possession or control of, the right to possess or control, or a  
26 license to use, any tangible personal property.

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 or her by his or her subcontractor  
11 is equal to 50% of the subcontractor's charges to the  
12 serviceman in the absence of proof of the consideration paid  
13 by the subcontractor for the purchase of such property.

14 "Selling price" means the consideration for a sale, including, on and after January 1, 2025, a lease, valued in  
15 money whether received in money or otherwise, including cash,  
16 credits and service, and shall be determined without any  
17 deduction on account of the serviceman's cost of the property  
18 sold, the cost of materials used, labor or service cost or any  
19 other expense whatsoever, but does not include interest or  
20 finance charges which appear as separate items on the bill of  
21 sale or sales contract nor charges that are added to prices by  
22 sellers on account of the seller's duty to collect, from the  
23 purchaser, the tax that is imposed by this Act.

24 "Department" means the Department of Revenue.

25 "Person" means any natural individual, firm, partnership,  
26

1 association, joint stock company, joint venture, public or  
2 private corporation, limited liability company, and any  
3 receiver, executor, trustee, guardian or other representative  
4 appointed by order of any court.

5 "Sale of service" means any transaction except:

6 (1) a retail sale of tangible personal property  
7 taxable under the Retailers' Occupation Tax Act or under  
8 the Use Tax Act.

9 (2) a sale of tangible personal property for the  
10 purpose of resale made in compliance with Section 2c of  
11 the Retailers' Occupation Tax Act.

12 (3) except as hereinafter provided, a sale or transfer  
13 of tangible personal property as an incident to the  
14 rendering of service for or by any governmental body, or  
15 for or by any corporation, society, association,  
16 foundation or institution organized and operated  
17 exclusively for charitable, religious or educational  
18 purposes or any not-for-profit corporation, society,  
19 association, foundation, institution or organization which  
20 has no compensated officers or employees and which is  
21 organized and operated primarily for the recreation of  
22 persons 55 years of age or older. A limited liability  
23 company may qualify for the exemption under this paragraph  
24 only if the limited liability company is organized and  
25 operated exclusively for educational purposes.

26 (4) (blank).



1           (4a) a sale or transfer of tangible personal property  
2 as an incident to the rendering of service for owners or 7  
3 lessors, lessees, or shippers of tangible personal  
4 property which is utilized by interstate carriers for hire  
5 for use as rolling stock moving in interstate commerce so  
6 long as so used by interstate carriers for hire, and  
7 equipment operated by a telecommunications provider,  
8 licensed as a common carrier by the Federal Communications  
9 Commission, which is permanently installed in or affixed  
10 to aircraft moving in interstate commerce.

11           (4a-5) on and after July 1, 2003 and through June 30,  
12 2004, a sale or transfer of a motor vehicle of the second  
13 division with a gross vehicle weight in excess of 8,000  
14 pounds as an incident to the rendering of service if that  
15 motor vehicle is subject to the commercial distribution  
16 fee imposed under Section 3-815.1 of the Illinois Vehicle  
17 Code. Beginning on July 1, 2004 and through June 30, 2005,  
18 the use in this State of motor vehicles of the second  
19 division: (i) with a gross vehicle weight rating in excess  
20 of 8,000 pounds; (ii) that are subject to the commercial  
21 distribution fee imposed under Section 3-815.1 of the  
22 Illinois Vehicle Code; and (iii) that are primarily used  
23 for commercial purposes. Through June 30, 2005, this  
24 exemption applies to repair and replacement parts added  
25 after the initial purchase of such a motor vehicle if that  
26 motor vehicle is used in a manner that would qualify for

1 the rolling stock exemption otherwise provided for in this  
2 Act. For purposes of this paragraph, "used for commercial  
3 purposes" means the transportation of persons or property  
4 in furtherance of any commercial or industrial enterprise  
5 whether for-hire or not.

6 (5) a sale or transfer of machinery and equipment used  
7 primarily in the process of the manufacturing or  
8 assembling, either in an existing, an expanded or a new  
9 manufacturing facility, of tangible personal property for  
10 wholesale or retail sale or lease, whether such sale or  
11 lease is made directly by the manufacturer or by some  
12 other person, whether the materials used in the process  
13 are owned by the manufacturer or some other person, or  
14 whether such sale or lease is made apart from or as an  
15 incident to the seller's engaging in a service occupation  
16 and the applicable tax is a Service Use Tax or Service  
17 Occupation Tax, rather than Use Tax or Retailers'  
18 Occupation Tax. The exemption provided by this paragraph  
19 (5) includes production related tangible personal  
20 property, as defined in Section 3-50 of the Use Tax Act,  
21 purchased on or after July 1, 2019. The exemption provided  
22 by this paragraph (5) does not include machinery and  
23 equipment used in (i) the generation of electricity for  
24 wholesale or retail sale; (ii) the generation or treatment  
25 of natural or artificial gas for wholesale or retail sale  
26 that is delivered to customers through pipes, pipelines,

1 or mains; or (iii) the treatment of water for wholesale or  
2 retail sale that is delivered to customers through pipes,  
3 pipelines, or mains. The provisions of Public Act 98-583  
4 are declaratory of existing law as to the meaning and  
5 scope of this exemption. The exemption under this  
6 paragraph (5) is exempt from the provisions of Section  
7 3-75.

8 (5a) the repairing, reconditioning or remodeling, for  
9 a common carrier by rail, of tangible personal property  
10 which belongs to such carrier for hire, and as to which  
11 such carrier receives the physical possession of the  
12 repaired, reconditioned or remodeled item of tangible  
13 personal property in Illinois, and which such carrier  
14 transports, or shares with another common carrier in the  
15 transportation of such property, out of Illinois on a  
16 standard uniform bill of lading showing the person who  
17 repaired, reconditioned or remodeled the property to a  
18 destination outside Illinois, for use outside Illinois.

19 (5b) a sale or transfer of tangible personal property  
20 which is produced by the seller thereof on special order  
21 in such a way as to have made the applicable tax the  
22 Service Occupation Tax or the Service Use Tax, rather than  
23 the Retailers' Occupation Tax or the Use Tax, for an  
24 interstate carrier by rail which receives the physical  
25 possession of such property in Illinois, and which  
26 transports such property, or shares with another common

1 carrier in the transportation of such property, out of  
2 Illinois on a standard uniform bill of lading showing the  
3 seller of the property as the shipper or consignor of such  
4 property to a destination outside Illinois, for use  
5 outside Illinois.

6 (6) until July 1, 2003, a sale or transfer of  
7 distillation machinery and equipment, sold as a unit or  
8 kit and assembled or installed by the retailer, which  
9 machinery and equipment is certified by the user to be  
10 used only for the production of ethyl alcohol that will be  
11 used for consumption as motor fuel or as a component of  
12 motor fuel for the personal use of such user and not  
13 subject to sale or resale.

14 (7) at the election of any serviceman not required to  
15 be otherwise registered as a retailer under Section 2a of  
16 the Retailers' Occupation Tax Act, made for each fiscal  
17 year sales of service in which the aggregate annual cost  
18 price of tangible personal property transferred as an  
19 incident to the sales of service is less than 35%, or 75%  
20 in the case of servicemen transferring prescription drugs  
21 or servicemen engaged in graphic arts production, of the  
22 aggregate annual total gross receipts from all sales of  
23 service. The purchase of such tangible personal property  
24 by the serviceman shall be subject to tax under the  
25 Retailers' Occupation Tax Act and the Use Tax Act.  
26 However, if a primary serviceman who has made the election

1 described in this paragraph subcontracts service work to a  
2 secondary serviceman who has also made the election  
3 described in this paragraph, the primary serviceman does  
4 not incur a Use Tax liability if the secondary serviceman  
5 (i) has paid or will pay Use Tax on his or her cost price  
6 of any tangible personal property transferred to the  
7 primary serviceman and (ii) certifies that fact in writing  
8 to the primary serviceman.

9 Tangible personal property transferred incident to the  
10 completion of a maintenance agreement is exempt from the tax  
11 imposed pursuant to this Act.

12 Exemption (5) also includes machinery and equipment used  
13 in the general maintenance or repair of such exempt machinery  
14 and equipment or for in-house manufacture of exempt machinery  
15 and equipment. On and after July 1, 2017, exemption (5) also  
16 includes graphic arts machinery and equipment, as defined in  
17 paragraph (5) of Section 3-5. The machinery and equipment  
18 exemption does not include machinery and equipment used in (i)  
19 the generation of electricity for wholesale or retail sale;  
20 (ii) the generation or treatment of natural or artificial gas  
21 for wholesale or retail sale that is delivered to customers  
22 through pipes, pipelines, or mains; or (iii) the treatment of  
23 water for wholesale or retail sale that is delivered to  
24 customers through pipes, pipelines, or mains. The provisions  
25 of Public Act 98-583 are declaratory of existing law as to the  
26 meaning and scope of this exemption. For the purposes of

1 exemption (5), each of these terms shall have the following  
2 meanings: (1) "manufacturing process" shall mean the  
3 production of any article of tangible personal property,  
4 whether such article is a finished product or an article for  
5 use in the process of manufacturing or assembling a different  
6 article of tangible personal property, by procedures commonly  
7 regarded as manufacturing, processing, fabricating, or  
8 refining which changes some existing material or materials  
9 into a material with a different form, use or name. In relation  
10 to a recognized integrated business composed of a series of  
11 operations which collectively constitute manufacturing, or  
12 individually constitute manufacturing operations, the  
13 manufacturing process shall be deemed to commence with the  
14 first operation or stage of production in the series, and  
15 shall not be deemed to end until the completion of the final  
16 product in the last operation or stage of production in the  
17 series; and further, for purposes of exemption (5),  
18 photoprocessing is deemed to be a manufacturing process of  
19 tangible personal property for wholesale or retail sale; (2)  
20 "assembling process" shall mean the production of any article  
21 of tangible personal property, whether such article is a  
22 finished product or an article for use in the process of  
23 manufacturing or assembling a different article of tangible  
24 personal property, by the combination of existing materials in  
25 a manner commonly regarded as assembling which results in a  
26 material of a different form, use or name; (3) "machinery"

1 shall mean major mechanical machines or major components of  
2 such machines contributing to a manufacturing or assembling  
3 process; and (4) "equipment" shall include any independent  
4 device or tool separate from any machinery but essential to an  
5 integrated manufacturing or assembly process; including  
6 computers used primarily in a manufacturer's computer assisted  
7 design, computer assisted manufacturing (CAD/CAM) system; or  
8 any subunit or assembly comprising a component of any  
9 machinery or auxiliary, adjunct or attachment parts of  
10 machinery, such as tools, dies, jigs, fixtures, patterns and  
11 molds; or any parts which require periodic replacement in the  
12 course of normal operation; but shall not include hand tools.  
13 Equipment includes chemicals or chemicals acting as catalysts  
14 but only if the chemicals or chemicals acting as catalysts  
15 effect a direct and immediate change upon a product being  
16 manufactured or assembled for wholesale or retail sale or  
17 lease. The purchaser of such machinery and equipment who has  
18 an active resale registration number shall furnish such number  
19 to the seller at the time of purchase. The purchaser of such  
20 machinery and equipment and tools without an active resale  
21 registration number shall prepare a certificate of exemption  
22 stating facts establishing the exemption, which certificate  
23 shall be available to the Department for inspection or audit.  
24 The Department shall prescribe the form of the certificate.

25 Any informal rulings, opinions or letters issued by the  
26 Department in response to an inquiry or request for any

1 opinion from any person regarding the coverage and  
2 applicability of exemption (5) to specific devices shall be  
3 published, maintained as a public record, and made available  
4 for public inspection and copying. If the informal ruling,  
5 opinion or letter contains trade secrets or other confidential  
6 information, where possible the Department shall delete such  
7 information prior to publication. Whenever such informal  
8 rulings, opinions, or letters contain any policy of general  
9 applicability, the Department shall formulate and adopt such  
10 policy as a rule in accordance with the provisions of the  
11 Illinois Administrative Procedure Act.

12 On and after July 1, 1987, no entity otherwise eligible  
13 under exemption (3) of this Section shall make tax-free  
14 purchases unless it has an active exemption identification  
15 number issued by the Department.

16 The purchase, employment and transfer of such tangible  
17 personal property as newsprint and ink for the primary purpose  
18 of conveying news (with or without other information) is not a  
19 purchase, use or sale of service or of tangible personal  
20 property within the meaning of this Act.

21 "Serviceman" means any person who is engaged in the  
22 occupation of making sales of service.

23 "Sale at retail" means "sale at retail" as defined in the  
24 Retailers' Occupation Tax Act, which, on and after January 1,  
25 2025, is defined to include leases.

26 "Supplier" means any person who makes sales of tangible



1 personal property to servicemen for the purpose of resale as  
2 an incident to a sale of service.

3 "Serviceman maintaining a place of business in this  
4 State", or any like term, means and includes any serviceman:

5 (1) having or maintaining within this State, directly  
6 or by a subsidiary, an office, distribution house, sales  
7 house, warehouse or other place of business, or any agent  
8 or other representative operating within this State under  
9 the authority of the serviceman or its subsidiary,  
10 irrespective of whether such place of business or agent or  
11 other representative is located here permanently or  
12 temporarily, or whether such serviceman or subsidiary is  
13 licensed to do business in this State;

14 (1.1) having a contract with a person located in this  
15 State under which the person, for a commission or other  
16 consideration based on the sale of service by the  
17 serviceman, directly or indirectly refers potential  
18 customers to the serviceman by providing to the potential  
19 customers a promotional code or other mechanism that  
20 allows the serviceman to track purchases referred by such  
21 persons. Examples of mechanisms that allow the serviceman  
22 to track purchases referred by such persons include but  
23 are not limited to the use of a link on the person's  
24 Internet website, promotional codes distributed through  
25 the person's hand-delivered or mailed material, and  
26 promotional codes distributed by the person through radio

1 or other broadcast media. The provisions of this paragraph  
2 (1.1) shall apply only if the cumulative gross receipts  
3 from sales of service by the serviceman to customers who  
4 are referred to the serviceman by all persons in this  
5 State under such contracts exceed \$10,000 during the  
6 preceding 4 quarterly periods ending on the last day of  
7 March, June, September, and December; a serviceman meeting  
8 the requirements of this paragraph (1.1) shall be presumed  
9 to be maintaining a place of business in this State but may  
10 rebut this presumption by submitting proof that the  
11 referrals or other activities pursued within this State by  
12 such persons were not sufficient to meet the nexus  
13 standards of the United States Constitution during the  
14 preceding 4 quarterly periods;

15 (1.2) beginning July 1, 2011, having a contract with a  
16 person located in this State under which:

17 (A) the serviceman sells the same or substantially  
18 similar line of services as the person located in this  
19 State and does so using an identical or substantially  
20 similar name, trade name, or trademark as the person  
21 located in this State; and

22 (B) the serviceman provides a commission or other  
23 consideration to the person located in this State  
24 based upon the sale of services by the serviceman.

25 The provisions of this paragraph (1.2) shall apply only if  
26 the cumulative gross receipts from sales of service by the

1 serviceman to customers in this State under all such  
2 contracts exceed \$10,000 during the preceding 4 quarterly  
3 periods ending on the last day of March, June, September,  
4 and December;

5 (2) soliciting orders for tangible personal property  
6 by means of a telecommunication or television shopping  
7 system (which utilizes toll free numbers) which is  
8 intended by the retailer to be broadcast by cable  
9 television or other means of broadcasting, to consumers  
10 located in this State;

11 (3) pursuant to a contract with a broadcaster or  
12 publisher located in this State, soliciting orders for  
13 tangible personal property by means of advertising which  
14 is disseminated primarily to consumers located in this  
15 State and only secondarily to bordering jurisdictions;

16 (4) soliciting orders for tangible personal property  
17 by mail if the solicitations are substantial and recurring  
18 and if the retailer benefits from any banking, financing,  
19 debt collection, telecommunication, or marketing  
20 activities occurring in this State or benefits from the  
21 location in this State of authorized installation,  
22 servicing, or repair facilities;

23 (5) being owned or controlled by the same interests  
24 which own or control any retailer engaging in business in  
25 the same or similar line of business in this State;

26 (6) having a franchisee or licensee operating under

1 its trade name if the franchisee or licensee is required  
2 to collect the tax under this Section;

3 (7) pursuant to a contract with a cable television  
4 operator located in this State, soliciting orders for  
5 tangible personal property by means of advertising which  
6 is transmitted or distributed over a cable television  
7 system in this State;

8 (8) engaging in activities in Illinois, which  
9 activities in the state in which the supply business  
10 engaging in such activities is located would constitute  
11 maintaining a place of business in that state; or

12 (9) beginning October 1, 2018, making sales of service  
13 to purchasers in Illinois from outside of Illinois if:

14 (A) the cumulative gross receipts from sales of  
15 service to purchasers in Illinois are \$100,000 or  
16 more; or

17 (B) the serviceman enters into 200 or more  
18 separate transactions for sales of service to  
19 purchasers in Illinois.

20 The serviceman shall determine on a quarterly basis,  
21 ending on the last day of March, June, September, and  
22 December, whether he or she meets the criteria of either  
23 subparagraph (A) or (B) of this paragraph (9) for the  
24 preceding 12-month period. If the serviceman meets the  
25 criteria of either subparagraph (A) or (B) for a 12-month  
26 period, he or she is considered a serviceman maintaining a

1 place of business in this State and is required to collect  
2 and remit the tax imposed under this Act and file returns  
3 for one year. At the end of that one-year period, the  
4 serviceman shall determine whether the serviceman met the  
5 criteria of either subparagraph (A) or (B) during the  
6 preceding 12-month period. If the serviceman met the  
7 criteria in either subparagraph (A) or (B) for the  
8 preceding 12-month period, he or she is considered a  
9 serviceman maintaining a place of business in this State  
10 and is required to collect and remit the tax imposed under  
11 this Act and file returns for the subsequent year. If at  
12 the end of a one-year period a serviceman that was  
13 required to collect and remit the tax imposed under this  
14 Act determines that he or she did not meet the criteria in  
15 either subparagraph (A) or (B) during the preceding  
16 12-month period, the serviceman subsequently shall  
17 determine on a quarterly basis, ending on the last day of  
18 March, June, September, and December, whether he or she  
19 meets the criteria of either subparagraph (A) or (B) for  
20 the preceding 12-month period.

21 Beginning January 1, 2020, neither the gross receipts  
22 from nor the number of separate transactions for sales of  
23 service to purchasers in Illinois that a serviceman makes  
24 through a marketplace facilitator and for which the  
25 serviceman has received a certification from the  
26 marketplace facilitator pursuant to Section 2d of this Act

1 shall be included for purposes of determining whether he  
2 or she has met the thresholds of this paragraph (9).

3 (10) Beginning January 1, 2020, a marketplace  
4 facilitator, as defined in Section 2d of this Act.

5 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;  
6 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 101-9, Article  
7 10, Section 10-15, eff. 6-5-19; 101-9, Article 25, Section  
8 25-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

9 (35 ILCS 110/3) (from Ch. 120, par. 439.33)

10 Sec. 3. Tax imposed. A tax is imposed upon the privilege of  
11 using in this State real or tangible personal property  
12 acquired, which, on and after January 1, 2025, includes  
13 tangible personal property acquired through a lease, as an  
14 incident to the purchase of a service from a serviceman,  
15 including computer software, and including photographs,  
16 negatives, and positives that are the product of  
17 photoprocessing, but not including products of photoprocessing  
18 produced for use in motion pictures for public commercial  
19 exhibition. Beginning January 1, 2001, prepaid telephone  
20 calling arrangements shall be considered tangible personal  
21 property subject to the tax imposed under this Act regardless  
22 of the form in which those arrangements may be embodied,  
23 transmitted, or fixed by any method now known or hereafter  
24 developed. Purchases of (1) electricity delivered to customers  
25 by wire; (2) natural or artificial gas that is delivered to

1 customers through pipes, pipelines, or mains; and (3) water  
2 that is delivered to customers through pipes, pipelines, or  
3 mains are not subject to tax under this Act. The provisions of  
4 this amendatory Act of the 98th General Assembly are  
5 declaratory of existing law as to the meaning and scope of this  
6 Act.

7 The imposition of the tax under this Act on leases applies  
8 to leases of tangible personal property in effect, entered  
9 into, or renewed on or after January 1, 2025. In the case of  
10 leases, except as otherwise provided in this Act, the  
11 serviceman who is a lessor, in collecting the tax, may collect  
12 for each tax return period only the tax applicable to that part  
13 of the selling price actually received during such tax return  
14 period.

15 (Source: P.A. 98-583, eff. 1-1-14.)

16 (35 ILCS 110/3-5)

17 Sec. 3-5. Exemptions. Use of the following tangible  
18 personal property is exempt from the tax imposed by this Act:

19 (1) Personal property purchased from a corporation,  
20 society, association, foundation, institution, or  
21 organization, other than a limited liability company, that is  
22 organized and operated as a not-for-profit service enterprise  
23 for the benefit of persons 65 years of age or older if the  
24 personal property was not purchased by the enterprise for the  
25 purpose of resale by the enterprise.

1           (2) Personal property purchased by a non-profit Illinois  
2 county fair association for use in conducting, operating, or  
3 promoting the county fair.

4           (3) Personal property purchased by a not-for-profit arts  
5 or cultural organization that establishes, by proof required  
6 by the Department by rule, that it has received an exemption  
7 under Section 501(c)(3) of the Internal Revenue Code and that  
8 is organized and operated primarily for the presentation or  
9 support of arts or cultural programming, activities, or  
10 services. These organizations include, but are not limited to,  
11 music and dramatic arts organizations such as symphony  
12 orchestras and theatrical groups, arts and cultural service  
13 organizations, local arts councils, visual arts organizations,  
14 and media arts organizations. On and after July 1, 2001 (the  
15 effective date of Public Act 92-35), however, an entity  
16 otherwise eligible for this exemption shall not make tax-free  
17 purchases unless it has an active identification number issued  
18 by the Department.

19           (4) Legal tender, currency, medallions, or gold or silver  
20 coinage issued by the State of Illinois, the government of the  
21 United States of America, or the government of any foreign  
22 country, and bullion.

23           (5) Until July 1, 2003 and beginning again on September 1,  
24 2004 through August 30, 2014, graphic arts machinery and  
25 equipment, including repair and replacement parts, both new  
26 and used, and including that manufactured on special order or



1 purchased for lease, certified by the purchaser to be used  
2 primarily for graphic arts production. Equipment includes  
3 chemicals or chemicals acting as catalysts but only if the  
4 chemicals or chemicals acting as catalysts effect a direct and  
5 immediate change upon a graphic arts product. Beginning on  
6 July 1, 2017, graphic arts machinery and equipment is included  
7 in the manufacturing and assembling machinery and equipment  
8 exemption under Section 2 of this Act.

9 (6) Personal property purchased from a teacher-sponsored  
10 student organization affiliated with an elementary or  
11 secondary school located in Illinois.

12 (7) Farm machinery and equipment, both new and used,  
13 including that manufactured on special order, certified by the  
14 purchaser to be used primarily for production agriculture or  
15 State or federal agricultural programs, including individual  
16 replacement parts for the machinery and equipment, including  
17 machinery and equipment purchased for lease, and including  
18 implements of husbandry defined in Section 1-130 of the  
19 Illinois Vehicle Code, farm machinery and agricultural  
20 chemical and fertilizer spreaders, and nurse wagons required  
21 to be registered under Section 3-809 of the Illinois Vehicle  
22 Code, but excluding other motor vehicles required to be  
23 registered under the Illinois Vehicle Code. Horticultural  
24 polyhouses or hoop houses used for propagating, growing, or  
25 overwintering plants shall be considered farm machinery and  
26 equipment under this item (7). Agricultural chemical tender

1 tanks and dry boxes shall include units sold separately from a  
2 motor vehicle required to be licensed and units sold mounted  
3 on a motor vehicle required to be licensed if the selling price  
4 of the tender is separately stated.

5 Farm machinery and equipment shall include precision  
6 farming equipment that is installed or purchased to be  
7 installed on farm machinery and equipment, including, but not  
8 limited to, tractors, harvesters, sprayers, planters, seeders,  
9 or spreaders. Precision farming equipment includes, but is not  
10 limited to, soil testing sensors, computers, monitors,  
11 software, global positioning and mapping systems, and other  
12 such equipment.

13 Farm machinery and equipment also includes computers,  
14 sensors, software, and related equipment used primarily in the  
15 computer-assisted operation of production agriculture  
16 facilities, equipment, and activities such as, but not limited  
17 to, the collection, monitoring, and correlation of animal and  
18 crop data for the purpose of formulating animal diets and  
19 agricultural chemicals.

20 Beginning on January 1, 2024, farm machinery and equipment  
21 also includes electrical power generation equipment used  
22 primarily for production agriculture.

23 This item (7) is exempt from the provisions of Section  
24 3-75.

25 (8) Until June 30, 2013, fuel and petroleum products sold  
26 to or used by an air common carrier, certified by the carrier

1 to be used for consumption, shipment, or storage in the  
2 conduct of its business as an air common carrier, for a flight  
3 destined for or returning from a location or locations outside  
4 the United States without regard to previous or subsequent  
5 domestic stopovers.

6 Beginning July 1, 2013, fuel and petroleum products sold  
7 to or used by an air carrier, certified by the carrier to be  
8 used for consumption, shipment, or storage in the conduct of  
9 its business as an air common carrier, for a flight that (i) is  
10 engaged in foreign trade or is engaged in trade between the  
11 United States and any of its possessions and (ii) transports  
12 at least one individual or package for hire from the city of  
13 origination to the city of final destination on the same  
14 aircraft, without regard to a change in the flight number of  
15 that aircraft.

16 (9) Proceeds of mandatory service charges separately  
17 stated on customers' bills for the purchase and consumption of  
18 food and beverages acquired as an incident to the purchase of a  
19 service from a serviceman, to the extent that the proceeds of  
20 the service charge are in fact turned over as tips or as a  
21 substitute for tips to the employees who participate directly  
22 in preparing, serving, hosting or cleaning up the food or  
23 beverage function with respect to which the service charge is  
24 imposed.

25 (10) Until July 1, 2003, oil field exploration, drilling,  
26 and production equipment, including (i) rigs and parts of

1 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
2 pipe and tubular goods, including casing and drill strings,  
3 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
4 lines, (v) any individual replacement part for oil field  
5 exploration, drilling, and production equipment, and (vi)  
6 machinery and equipment purchased for lease; but excluding  
7 motor vehicles required to be registered under the Illinois  
8 Vehicle Code.

9 (11) Proceeds from the sale of photoprocessing machinery  
10 and equipment, including repair and replacement parts, both  
11 new and used, including that manufactured on special order,  
12 certified by the purchaser to be used primarily for  
13 photoprocessing, and including photoprocessing machinery and  
14 equipment purchased for lease.

15 (12) Until July 1, 2028, coal and aggregate exploration,  
16 mining, off-highway hauling, processing, maintenance, and  
17 reclamation equipment, including replacement parts and  
18 equipment, and including equipment purchased for lease, but  
19 excluding motor vehicles required to be registered under the  
20 Illinois Vehicle Code. The changes made to this Section by  
21 Public Act 97-767 apply on and after July 1, 2003, but no claim  
22 for credit or refund is allowed on or after August 16, 2013  
23 (the effective date of Public Act 98-456) for such taxes paid  
24 during the period beginning July 1, 2003 and ending on August  
25 16, 2013 (the effective date of Public Act 98-456).

26 (13) Semen used for artificial insemination of livestock

1 for direct agricultural production.

2 (14) Horses, or interests in horses, registered with and  
3 meeting the requirements of any of the Arabian Horse Club  
4 Registry of America, Appaloosa Horse Club, American Quarter  
5 Horse Association, United States Trotting Association, or  
6 Jockey Club, as appropriate, used for purposes of breeding or  
7 racing for prizes. This item (14) is exempt from the  
8 provisions of Section 3-75, and the exemption provided for  
9 under this item (14) applies for all periods beginning May 30,  
10 1995, but no claim for credit or refund is allowed on or after  
11 January 1, 2008 (the effective date of Public Act 95-88) for  
12 such taxes paid during the period beginning May 30, 2000 and  
13 ending on January 1, 2008 (the effective date of Public Act  
14 95-88).

15 (15) Computers and communications equipment utilized for  
16 any hospital purpose and equipment used in the diagnosis,  
17 analysis, or treatment of hospital patients purchased by a  
18 lessor who leases the equipment, under a lease of one year or  
19 longer executed or in effect at the time the lessor would  
20 otherwise be subject to the tax imposed by this Act, to a  
21 hospital that has been issued an active tax exemption  
22 identification number by the Department under Section 1g of  
23 the Retailers' Occupation Tax Act. If the equipment is leased  
24 in a manner that does not qualify for this exemption or is used  
25 in any other non-exempt manner, the lessor shall be liable for  
26 the tax imposed under this Act or the Use Tax Act, as the case

1 may be, based on the fair market value of the property at the  
2 time the non-qualifying use occurs. No lessor shall collect or  
3 attempt to collect an amount (however designated) that  
4 purports to reimburse that lessor for the tax imposed by this  
5 Act or the Use Tax Act, as the case may be, if the tax has not  
6 been paid by the lessor. If a lessor improperly collects any  
7 such amount from the lessee, the lessee shall have a legal  
8 right to claim a refund of that amount from the lessor. If,  
9 however, that amount is not refunded to the lessee for any  
10 reason, the lessor is liable to pay that amount to the  
11 Department.

12 (16) Personal property purchased by a lessor who leases  
13 the property, under a lease of one year or longer executed or  
14 in effect at the time the lessor would otherwise be subject to  
15 the tax imposed by this Act, to a governmental body that has  
16 been issued an active tax exemption identification number by  
17 the Department under Section 1g of the Retailers' Occupation  
18 Tax Act. If the property is leased in a manner that does not  
19 qualify for this exemption or is used in any other non-exempt  
20 manner, the lessor shall be liable for the tax imposed under  
21 this Act or the Use Tax Act, as the case may be, based on the  
22 fair market value of the property at the time the  
23 non-qualifying use occurs. No lessor shall collect or attempt  
24 to collect an amount (however designated) that purports to  
25 reimburse that lessor for the tax imposed by this Act or the  
26 Use Tax Act, as the case may be, if the tax has not been paid

1 by the lessor. If a lessor improperly collects any such amount  
2 from the lessee, the lessee shall have a legal right to claim a  
3 refund of that amount from the lessor. If, however, that  
4 amount is not refunded to the lessee for any reason, the lessor  
5 is liable to pay that amount to the Department.

6 (17) Beginning with taxable years ending on or after  
7 December 31, 1995 and ending with taxable years ending on or  
8 before December 31, 2004, personal property that is donated  
9 for disaster relief to be used in a State or federally declared  
10 disaster area in Illinois or bordering Illinois by a  
11 manufacturer or retailer that is registered in this State to a  
12 corporation, society, association, foundation, or institution  
13 that has been issued a sales tax exemption identification  
14 number by the Department that assists victims of the disaster  
15 who reside within the declared disaster area.

16 (18) Beginning with taxable years ending on or after  
17 December 31, 1995 and ending with taxable years ending on or  
18 before December 31, 2004, personal property that is used in  
19 the performance of infrastructure repairs in this State,  
20 including, but not limited to, municipal roads and streets,  
21 access roads, bridges, sidewalks, waste disposal systems,  
22 water and sewer line extensions, water distribution and  
23 purification facilities, storm water drainage and retention  
24 facilities, and sewage treatment facilities, resulting from a  
25 State or federally declared disaster in Illinois or bordering  
26 Illinois when such repairs are initiated on facilities located

1 in the declared disaster area within 6 months after the  
2 disaster.

3 (19) Beginning July 1, 1999, game or game birds purchased  
4 at a "game breeding and hunting preserve area" as that term is  
5 used in the Wildlife Code. This paragraph is exempt from the  
6 provisions of Section 3-75.

7 (20) A motor vehicle, as that term is defined in Section  
8 1-146 of the Illinois Vehicle Code, that is donated to a  
9 corporation, limited liability company, society, association,  
10 foundation, or institution that is determined by the  
11 Department to be organized and operated exclusively for  
12 educational purposes. For purposes of this exemption, "a  
13 corporation, limited liability company, society, association,  
14 foundation, or institution organized and operated exclusively  
15 for educational purposes" means all tax-supported public  
16 schools, private schools that offer systematic instruction in  
17 useful branches of learning by methods common to public  
18 schools and that compare favorably in their scope and  
19 intensity with the course of study presented in tax-supported  
20 schools, and vocational or technical schools or institutes  
21 organized and operated exclusively to provide a course of  
22 study of not less than 6 weeks duration and designed to prepare  
23 individuals to follow a trade or to pursue a manual,  
24 technical, mechanical, industrial, business, or commercial  
25 occupation.

26 (21) Beginning January 1, 2000, personal property,



1 including food, purchased through fundraising events for the  
2 benefit of a public or private elementary or secondary school,  
3 a group of those schools, or one or more school districts if  
4 the events are sponsored by an entity recognized by the school  
5 district that consists primarily of volunteers and includes  
6 parents and teachers of the school children. This paragraph  
7 does not apply to fundraising events (i) for the benefit of  
8 private home instruction or (ii) for which the fundraising  
9 entity purchases the personal property sold at the events from  
10 another individual or entity that sold the property for the  
11 purpose of resale by the fundraising entity and that profits  
12 from the sale to the fundraising entity. This paragraph is  
13 exempt from the provisions of Section 3-75.

14 (22) Beginning January 1, 2000 and through December 31,  
15 2001, new or used automatic vending machines that prepare and  
16 serve hot food and beverages, including coffee, soup, and  
17 other items, and replacement parts for these machines.  
18 Beginning January 1, 2002 and through June 30, 2003, machines  
19 and parts for machines used in commercial, coin-operated  
20 amusement and vending business if a use or occupation tax is  
21 paid on the gross receipts derived from the use of the  
22 commercial, coin-operated amusement and vending machines. This  
23 paragraph is exempt from the provisions of Section 3-75.

24 (23) Beginning August 23, 2001 and through June 30, 2016,  
25 food for human consumption that is to be consumed off the  
26 premises where it is sold (other than alcoholic beverages,

1 soft drinks, and food that has been prepared for immediate  
2 consumption) and prescription and nonprescription medicines,  
3 drugs, medical appliances, and insulin, urine testing  
4 materials, syringes, and needles used by diabetics, for human  
5 use, when purchased for use by a person receiving medical  
6 assistance under Article V of the Illinois Public Aid Code who  
7 resides in a licensed long-term care facility, as defined in  
8 the Nursing Home Care Act, or in a licensed facility as defined  
9 in the ID/DD Community Care Act, the MC/DD Act, or the  
10 Specialized Mental Health Rehabilitation Act of 2013.

11 (24) Beginning on August 2, 2001 (the effective date of  
12 Public Act 92-227), computers and communications equipment  
13 utilized for any hospital purpose and equipment used in the  
14 diagnosis, analysis, or treatment of hospital patients  
15 purchased by a lessor who leases the equipment, under a lease  
16 of one year or longer executed or in effect at the time the  
17 lessor would otherwise be subject to the tax imposed by this  
18 Act, to a hospital that has been issued an active tax exemption  
19 identification number by the Department under Section 1g of  
20 the Retailers' Occupation Tax Act. If the equipment is leased  
21 in a manner that does not qualify for this exemption or is used  
22 in any other nonexempt manner, the lessor shall be liable for  
23 the tax imposed under this Act or the Use Tax Act, as the case  
24 may be, based on the fair market value of the property at the  
25 time the nonqualifying use occurs. No lessor shall collect or  
26 attempt to collect an amount (however designated) that

1 purports to reimburse that lessor for the tax imposed by this  
2 Act or the Use Tax Act, as the case may be, if the tax has not  
3 been paid by the lessor. If a lessor improperly collects any  
4 such amount from the lessee, the lessee shall have a legal  
5 right to claim a refund of that amount from the lessor. If,  
6 however, that amount is not refunded to the lessee for any  
7 reason, the lessor is liable to pay that amount to the  
8 Department. This paragraph is exempt from the provisions of  
9 Section 3-75.

10 (25) Beginning on August 2, 2001 (the effective date of  
11 Public Act 92-227), personal property purchased by a lessor  
12 who leases the property, under a lease of one year or longer  
13 executed or in effect at the time the lessor would otherwise be  
14 subject to the tax imposed by this Act, to a governmental body  
15 that has been issued an active tax exemption identification  
16 number by the Department under Section 1g of the Retailers'  
17 Occupation Tax Act. If the property is leased in a manner that  
18 does not qualify for this exemption or is used in any other  
19 nonexempt manner, the lessor shall be liable for the tax  
20 imposed under this Act or the Use Tax Act, as the case may be,  
21 based on the fair market value of the property at the time the  
22 nonqualifying use occurs. No lessor shall collect or attempt  
23 to collect an amount (however designated) that purports to  
24 reimburse that lessor for the tax imposed by this Act or the  
25 Use Tax Act, as the case may be, if the tax has not been paid  
26 by the lessor. If a lessor improperly collects any such amount

1 from the lessee, the lessee shall have a legal right to claim a  
2 refund of that amount from the lessor. If, however, that  
3 amount is not refunded to the lessee for any reason, the lessor  
4 is liable to pay that amount to the Department. This paragraph  
5 is exempt from the provisions of Section 3-75.

6 (26) Beginning January 1, 2008, tangible personal property  
7 used in the construction or maintenance of a community water  
8 supply, as defined under Section 3.145 of the Environmental  
9 Protection Act, that is operated by a not-for-profit  
10 corporation that holds a valid water supply permit issued  
11 under Title IV of the Environmental Protection Act. This  
12 paragraph is exempt from the provisions of Section 3-75.

13 (27) Beginning January 1, 2010 and continuing through  
14 December 31, 2029, materials, parts, equipment, components,  
15 and furnishings incorporated into or upon an aircraft as part  
16 of the modification, refurbishment, completion, replacement,  
17 repair, or maintenance of the aircraft. This exemption  
18 includes consumable supplies used in the modification,  
19 refurbishment, completion, replacement, repair, and  
20 maintenance of aircraft. However, until January 1, 2024, this  
21 exemption excludes any materials, parts, equipment,  
22 components, and consumable supplies used in the modification,  
23 replacement, repair, and maintenance of aircraft engines or  
24 power plants, whether such engines or power plants are  
25 installed or uninstalled upon any such aircraft. "Consumable  
26 supplies" include, but are not limited to, adhesive, tape,

1 sandpaper, general purpose lubricants, cleaning solution,  
2 latex gloves, and protective films.

3 Beginning January 1, 2010 and continuing through December  
4 31, 2023, this exemption applies only to the use of qualifying  
5 tangible personal property transferred incident to the  
6 modification, refurbishment, completion, replacement, repair,  
7 or maintenance of aircraft by persons 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 From January 1, 2024 through December 31, 2029, this exemption  
13 applies only to the use of qualifying tangible personal  
14 property by: (A) persons who modify, refurbish, complete,  
15 repair, replace, or maintain aircraft and who (i) hold an Air  
16 Agency Certificate and are empowered to operate an approved  
17 repair station by the Federal Aviation Administration, (ii)  
18 have a Class IV Rating, and (iii) conduct operations in  
19 accordance with Part 145 of the Federal Aviation Regulations;  
20 and (B) persons who engage in the modification, replacement,  
21 repair, and maintenance of aircraft engines or power plants  
22 without regard to whether or not those persons meet the  
23 qualifications of item (A).

24 The 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 Part

1 129 of the Federal Aviation Regulations. The changes made to  
2 this paragraph (27) by Public Act 98-534 are declarative of  
3 existing law. It is the intent of the General Assembly that the  
4 exemption under this paragraph (27) applies continuously from  
5 January 1, 2010 through December 31, 2024; however, no claim  
6 for credit or refund is allowed for taxes paid as a result of  
7 the disallowance of this exemption on or after January 1, 2015  
8 and prior to February 5, 2020 (the effective date of Public Act  
9 101-629).

10 (28) Tangible personal property purchased by a  
11 public-facilities corporation, as described in Section  
12 11-65-10 of the Illinois Municipal Code, for purposes of  
13 constructing or furnishing a municipal convention hall, but  
14 only if the legal title to the municipal convention hall is  
15 transferred to the municipality without any further  
16 consideration by or on behalf of the municipality at the time  
17 of the completion of the municipal convention hall or upon the  
18 retirement or redemption of any bonds or other debt  
19 instruments issued by the public-facilities corporation in  
20 connection with the development of the municipal convention  
21 hall. This exemption includes existing public-facilities  
22 corporations as provided in Section 11-65-25 of the Illinois  
23 Municipal Code. This paragraph is exempt from the provisions  
24 of Section 3-75.

25 (29) Beginning January 1, 2017 and through December 31,  
26 2026, menstrual pads, tampons, and menstrual cups.

1           (30) Tangible personal property transferred to a purchaser  
2 who is exempt from the tax imposed by this Act by operation of  
3 federal law. This paragraph is exempt from the provisions of  
4 Section 3-75.

5           (31) Qualified tangible personal property used in the  
6 construction or operation of a data center that has been  
7 granted a certificate of exemption by the Department of  
8 Commerce and Economic Opportunity, whether that tangible  
9 personal property is purchased by the owner, operator, or  
10 tenant of the data center or by a contractor or subcontractor  
11 of the owner, operator, or tenant. Data centers that would  
12 have qualified for a certificate of exemption prior to January  
13 1, 2020 had Public Act 101-31 been in effect, may apply for and  
14 obtain an exemption for subsequent purchases of computer  
15 equipment or enabling software purchased or leased to upgrade,  
16 supplement, or replace computer equipment or enabling software  
17 purchased or leased in the original investment that would have  
18 qualified.

19           The Department of Commerce and Economic Opportunity shall  
20 grant a certificate of exemption under this item (31) to  
21 qualified data centers as defined by Section 605-1025 of the  
22 Department of Commerce and Economic Opportunity Law of the  
23 Civil Administrative Code of Illinois.

24           For the purposes of this item (31):

25           "Data center" means a building or a series of  
26 buildings rehabilitated or constructed to house working

1 servers in one physical location or multiple sites within  
2 the State of Illinois.

3 "Qualified tangible personal property" means:  
4 electrical systems and equipment; climate control and  
5 chilling equipment and systems; mechanical systems and  
6 equipment; monitoring and secure systems; emergency  
7 generators; hardware; computers; servers; data storage  
8 devices; network connectivity equipment; racks; cabinets;  
9 telecommunications cabling infrastructure; raised floor  
10 systems; peripheral components or systems; software;  
11 mechanical, electrical, or plumbing systems; battery  
12 systems; cooling systems and towers; temperature control  
13 systems; other cabling; and other data center  
14 infrastructure equipment and systems necessary to operate  
15 qualified tangible personal property, including fixtures;  
16 and component parts of any of the foregoing, including  
17 installation, maintenance, repair, refurbishment, and  
18 replacement of qualified tangible personal property to  
19 generate, transform, transmit, distribute, or manage  
20 electricity necessary to operate qualified tangible  
21 personal property; and all other tangible personal  
22 property that is essential to the operations of a computer  
23 data center. The term "qualified tangible personal  
24 property" also includes building materials physically  
25 incorporated into ~~in to~~ the qualifying data center. To  
26 document the exemption allowed under this Section, the



1 retailer must obtain from the purchaser a copy of the  
2 certificate of eligibility issued by the Department of  
3 Commerce and Economic Opportunity.

4 This item (31) is exempt from the provisions of Section  
5 3-75.

6 (32) Beginning July 1, 2022, breast pumps, breast pump  
7 collection and storage supplies, and breast pump kits. This  
8 item (32) is exempt from the provisions of Section 3-75. As  
9 used in this item (32):

10 "Breast pump" means an electrically controlled or  
11 manually controlled pump device designed or marketed to be  
12 used to express milk from a human breast during lactation,  
13 including the pump device and any battery, AC adapter, or  
14 other power supply unit that is used to power the pump  
15 device and is packaged and sold with the pump device at the  
16 time of sale.

17 "Breast pump collection and storage supplies" means  
18 items of tangible personal property designed or marketed  
19 to be used in conjunction with a breast pump to collect  
20 milk expressed from a human breast and to store collected  
21 milk until it is ready for consumption.

22 "Breast pump collection and storage supplies"  
23 includes, but is not limited to: breast shields and breast  
24 shield connectors; breast pump tubes and tubing adapters;  
25 breast pump valves and membranes; backflow protectors and  
26 backflow protector adaptors; bottles and bottle caps

1 specific to the operation of the breast pump; and breast  
2 milk storage bags.

3 "Breast pump collection and storage supplies" does not  
4 include: (1) bottles and bottle caps not specific to the  
5 operation of the breast pump; (2) breast pump travel bags  
6 and other similar carrying accessories, including ice  
7 packs, labels, and other similar products; (3) breast pump  
8 cleaning supplies; (4) nursing bras, bra pads, breast  
9 shells, and other similar products; and (5) creams,  
10 ointments, and other similar products that relieve  
11 breastfeeding-related symptoms or conditions of the  
12 breasts or nipples, unless sold as part of a breast pump  
13 kit that is pre-packaged by the breast pump manufacturer  
14 or distributor.

15 "Breast pump kit" means a kit that: (1) contains no  
16 more than a breast pump, breast pump collection and  
17 storage supplies, a rechargeable battery for operating the  
18 breast pump, a breastmilk cooler, bottle stands, ice  
19 packs, and a breast pump carrying case; and (2) is  
20 pre-packaged as a breast pump kit by the breast pump  
21 manufacturer or distributor.

22 (33) Tangible personal property sold by or on behalf of  
23 the State Treasurer pursuant to the Revised Uniform Unclaimed  
24 Property Act. This item (33) is exempt from the provisions of  
25 Section 3-75.

26 (34) Beginning on January 1, 2024, tangible personal

1 property purchased by an active duty member of the armed  
2 forces of the United States who presents valid military  
3 identification and purchases the property using a form of  
4 payment where the federal government is the payor. The member  
5 of the armed forces must complete, at the point of sale, a form  
6 prescribed by the Department of Revenue documenting that the  
7 transaction is eligible for the exemption under this  
8 paragraph. Retailers must keep the form as documentation of  
9 the exemption in their records for a period of not less than 6  
10 years. "Armed forces of the United States" means the United  
11 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
12 This paragraph is exempt from the provisions of Section 3-75.

13 (35) Use by a lessee of the following leased tangible  
14 personal property:

15 (1) software transferred subject to a license that  
16 meets the following requirements:

17 (A) it is evidenced by a written agreement signed  
18 by the licensor and the customer;

19 (i) an electronic agreement in which the  
20 customer accepts the license by means of an  
21 electronic signature that is verifiable and can be  
22 authenticated and is attached to or made part of  
23 the license will comply with this requirement;

24 (ii) a license agreement in which the customer  
25 electronically accepts the terms by clicking "I  
26 agree" does not comply with this requirement;

1           (B) it restricts the customer's duplication and  
2           use of the software;

3           (C) it prohibits the customer from licensing,  
4           sublicensing, or transferring the software to a third  
5           party (except to a related party) without the  
6           permission and continued control of the licensor;

7           (D) the licensor has a policy of providing another  
8           copy at minimal or no charge if the customer loses or  
9           damages the software, or of permitting the licensee to  
10           make and keep an archival copy, and such policy is  
11           either stated in the license agreement, supported by  
12           the licensor's books and records, or supported by a  
13           notarized statement made under penalties of perjury by  
14           the licensor; and

15           (E) the customer must destroy or return all copies  
16           of the software to the licensor at the end of the  
17           license period; this provision is deemed to be met, in  
18           the case of a perpetual license, without being set  
19           forth in the license agreement; and

20           (2) property that is subject to a tax on lease  
21           receipts imposed by a home rule unit of local government  
22           if the ordinance imposing that tax was adopted prior to  
23           January 1, 2023.

24           (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
25           Section 70-10, eff. 4-19-22; 102-700, Article 75, Section  
26           75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,

1 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,  
2 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
3 revised 12-12-23.)

4 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

5 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
6 Section, the tax imposed by this Act is at the rate of 6.25% of  
7 the selling price of tangible personal property transferred,  
8 including, on and after January 1, 2025, transferred by lease,  
9 as an incident to the sale of service, but, for the purpose of  
10 computing this tax, in no event shall the selling price be less  
11 than the cost price of the property to the serviceman.

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

16 With respect to gasohol, as defined in the Use Tax Act, the  
17 tax imposed by this Act applies to (i) 70% of the selling price  
18 of property transferred as an incident to the sale of service  
19 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
20 of the selling price of property transferred as an incident to  
21 the sale of service on or after July 1, 2003 and on or before  
22 July 1, 2017, (iii) 100% of the selling price of property  
23 transferred as an incident to the sale of service after July 1,  
24 2017 and before January 1, 2024, (iv) 90% of the selling price  
25 of property transferred as an incident to the sale of service

1 on or after January 1, 2024 and on or before December 31, 2028,  
2 and (v) 100% of the selling price of property transferred as an  
3 incident to the sale of service after December 31, 2028. If, at  
4 any time, however, the tax under this Act on sales of gasohol,  
5 as defined in the Use Tax Act, is imposed at the rate of 1.25%,  
6 then the tax imposed by this Act applies to 100% of the  
7 proceeds of sales of gasohol made during that time.

8 With respect to mid-range ethanol blends, as defined in  
9 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
10 applies to (i) 80% of the selling price of property  
11 transferred as an incident to the sale of service on or after  
12 January 1, 2024 and on or before December 31, 2028 and (ii)  
13 100% of the selling price of property transferred as an  
14 incident to the sale of service after December 31, 2028. If, at  
15 any time, however, the tax under this Act on sales of mid-range  
16 ethanol blends is imposed at the rate of 1.25%, then the tax  
17 imposed by this Act applies to 100% of the selling price of  
18 mid-range ethanol blends transferred as an incident to the  
19 sale of service during that time.

20 With respect to majority blended ethanol fuel, as defined  
21 in the Use Tax Act, the tax imposed by this Act does not apply  
22 to the selling price of property transferred as an incident to  
23 the sale of service on or after July 1, 2003 and on or before  
24 December 31, 2028 but applies to 100% of the selling price  
25 thereafter.

26 With respect to biodiesel blends, as defined in the Use

1 Tax Act, with no less than 1% and no more than 10% biodiesel,  
2 the tax imposed by this Act applies to (i) 80% of the selling  
3 price of property transferred as an incident to the sale of  
4 service on or after July 1, 2003 and on or before December 31,  
5 2018 and (ii) 100% of the proceeds of the selling price after  
6 December 31, 2018 and before January 1, 2024. On and after  
7 January 1, 2024 and on or before December 31, 2030, the  
8 taxation of biodiesel, renewable diesel, and biodiesel blends  
9 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
10 at any time, however, the tax under this Act on sales of  
11 biodiesel blends, as defined in the Use Tax Act, with no less  
12 than 1% and no more than 10% biodiesel is imposed at the rate  
13 of 1.25%, then the tax imposed by this Act applies to 100% of  
14 the proceeds of sales of biodiesel blends with no less than 1%  
15 and no more than 10% biodiesel made during that time.

16 With respect to biodiesel, as defined in the Use Tax Act,  
17 and biodiesel blends, as defined in the Use Tax Act, with more  
18 than 10% but no more than 99% biodiesel, the tax imposed by  
19 this Act does not apply to the proceeds of the selling price of  
20 property transferred as an incident to the sale of service on  
21 or after July 1, 2003 and on or before December 31, 2023. On  
22 and after January 1, 2024 and on or before December 31, 2030,  
23 the taxation of biodiesel, renewable diesel, and biodiesel  
24 blends shall be as provided in Section 3-5.1 of the Use Tax  
25 Act.

26 At the election of any registered serviceman made for each

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

10 Until July 1, 2022 and beginning again on July 1, 2023, the  
11 tax shall be imposed at the rate of 1% on food prepared for  
12 immediate consumption and transferred incident to a sale of  
13 service subject to this Act or the Service Occupation Tax Act  
14 by an entity licensed under the Hospital Licensing Act, the  
15 Nursing Home Care Act, the Assisted Living and Shared Housing  
16 Act, the ID/DD Community Care Act, the MC/DD Act, the  
17 Specialized Mental Health Rehabilitation Act of 2013, or the  
18 Child Care Act of 1969, or an entity that holds a permit issued  
19 pursuant to the Life Care Facilities Act. Until July 1, 2022  
20 and beginning again on July 1, 2023, the tax shall also be  
21 imposed at the rate of 1% on food for human consumption that is  
22 to be consumed off the premises where it is sold (other than  
23 alcoholic beverages, food consisting of or infused with adult  
24 use cannabis, soft drinks, and food that has been prepared for  
25 immediate consumption and is not otherwise included in this  
26 paragraph).



1           Beginning on July 1, 2022 and until July 1, 2023, the tax  
2 shall be imposed at the rate of 0% on food prepared for  
3 immediate consumption and transferred incident to a sale of  
4 service subject to this Act or the Service Occupation Tax Act  
5 by an entity licensed under the Hospital Licensing Act, the  
6 Nursing Home Care Act, the Assisted Living and Shared Housing  
7 Act, the ID/DD Community Care Act, the MC/DD Act, the  
8 Specialized Mental Health Rehabilitation Act of 2013, or the  
9 Child Care Act of 1969, or an entity that holds a permit issued  
10 pursuant to the Life Care Facilities Act. Beginning on July 1,  
11 2022 and until July 1, 2023, the tax shall also be imposed at  
12 the rate of 0% on food for human consumption that is to be  
13 consumed off the premises where it is sold (other than  
14 alcoholic beverages, food consisting of or infused with adult  
15 use cannabis, soft drinks, and food that has been prepared for  
16 immediate consumption and is not otherwise included in this  
17 paragraph).

18           The tax shall also be imposed at the rate of 1% on  
19 prescription and nonprescription medicines, drugs, medical  
20 appliances, products classified as Class III medical devices  
21 by the United States Food and Drug Administration that are  
22 used for cancer treatment pursuant to a prescription, as well  
23 as any accessories and components related to those devices,  
24 modifications to a motor vehicle for the purpose of rendering  
25 it usable by a person with a disability, and insulin, blood  
26 sugar testing materials, syringes, and needles used by human

1       diabetics. For the purposes of this Section, until September  
2       1, 2009: the term "soft drinks" means any complete, finished,  
3       ready-to-use, non-alcoholic drink, whether carbonated or not,  
4       including, but not limited to, soda water, cola, fruit juice,  
5       vegetable juice, carbonated water, and all other preparations  
6       commonly known as soft drinks of whatever kind or description  
7       that are contained in any closed or sealed bottle, can,  
8       carton, or container, regardless of size; but "soft drinks"  
9       does not include coffee, tea, non-carbonated water, infant  
10       formula, milk or milk products as defined in the Grade A  
11       Pasteurized Milk and Milk Products Act, or drinks containing  
12       50% or more natural fruit or vegetable juice.

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

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

1 off the premises where it is sold" includes all food sold  
2 through a vending machine, except soft drinks, candy, and food  
3 products that are dispensed hot from a vending machine,  
4 regardless of the location of the vending machine.

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

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

1 (A) a "Drug Facts" panel; or

2 (B) a statement of the "active ingredient(s)" with a  
3 list of those ingredients contained in the compound,  
4 substance or preparation.

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

10 As used in this Section, "adult use cannabis" means  
11 cannabis subject to tax under the Cannabis Cultivation  
12 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
13 and does not include cannabis subject to tax under the  
14 Compassionate Use of Medical Cannabis Program Act.

15 If the property that is acquired from a serviceman is  
16 acquired outside Illinois and used outside Illinois before  
17 being brought to Illinois for use here and is taxable under  
18 this Act, the "selling price" on which the tax is computed  
19 shall be reduced by an amount that represents a reasonable  
20 allowance for depreciation for the period of prior  
21 out-of-state use. No depreciation is allowed in cases where  
22 the tax under this Act is imposed on lease receipts.

23 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;  
24 102-700, Article 20, Section 20-10, eff. 4-19-22; 102-700,  
25 Article 60, Section 60-20, eff. 4-19-22; 103-9, eff. 6-7-23;  
26 103-154, eff. 6-30-23.)

1 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

2 Sec. 9. Each serviceman required or authorized to collect  
3 the tax herein imposed shall pay to the Department the amount  
4 of such tax (except as otherwise provided) at the time when he  
5 is required to file his return for the period during which such  
6 tax was collected, less a discount of 2.1% prior to January 1,  
7 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
8 year, whichever is greater, which is allowed to reimburse the  
9 serviceman for expenses incurred in collecting the tax,  
10 keeping records, preparing and filing returns, remitting the  
11 tax and supplying data to the Department on request. When  
12 determining the discount allowed under this Section,  
13 servicemen shall include the amount of tax that would have  
14 been due at the 1% rate but for the 0% rate imposed under this  
15 amendatory Act of the 102nd General Assembly. The discount  
16 under this Section is not allowed for the 1.25% portion of  
17 taxes paid on aviation fuel that is subject to the revenue use  
18 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The  
19 discount allowed under this Section is allowed only for  
20 returns that are filed in the manner required by this Act. The  
21 Department may disallow the discount for servicemen whose  
22 certificate of registration is revoked at the time the return  
23 is filed, but only if the Department's decision to revoke the  
24 certificate of registration has become final. A serviceman  
25 need not remit that part of any tax collected by him to the

1 extent that he is required to pay and does pay the tax imposed  
2 by the Service Occupation Tax Act with respect to his sale of  
3 service involving the incidental transfer by him of the same  
4 property.

5 Except as provided hereinafter in this Section, on or  
6 before the twentieth day of each calendar month, such  
7 serviceman shall file a return for the preceding calendar  
8 month in accordance with reasonable Rules and Regulations to  
9 be promulgated by the Department. Such return shall be filed  
10 on a form prescribed by the Department and shall contain such  
11 information as the Department may reasonably require. The  
12 return shall include the gross receipts which were received  
13 during the preceding calendar month or quarter on the  
14 following items upon which tax would have been due but for the  
15 0% rate imposed under this amendatory Act of the 102nd General  
16 Assembly: (i) food for human consumption that is to be  
17 consumed off the premises where it is sold (other than  
18 alcoholic beverages, food consisting of or infused with adult  
19 use cannabis, soft drinks, and food that has been prepared for  
20 immediate consumption); and (ii) food prepared for immediate  
21 consumption and transferred incident to a sale of service  
22 subject to this Act or the Service Occupation Tax Act by an  
23 entity licensed under the Hospital Licensing Act, the Nursing  
24 Home Care Act, the Assisted Living and Shared Housing Act, the  
25 ID/DD Community Care Act, the MC/DD Act, the Specialized  
26 Mental Health Rehabilitation Act of 2013, or the Child Care

1 Act of 1969, or an entity that holds a permit issued pursuant  
2 to the Life Care Facilities Act. The return shall also include  
3 the amount of tax that would have been due on the items listed  
4 in the previous sentence but for the 0% rate imposed under this  
5 amendatory Act of the 102nd General Assembly.

6 In the case of leases, except as otherwise provided in  
7 this Act, the lessor, in collecting the tax, may collect for  
8 each tax return period, only the tax applicable to that part of  
9 the selling price actually received during such tax return  
10 period.

11 On and after January 1, 2018, with respect to servicemen  
12 whose annual gross receipts average \$20,000 or more, all  
13 returns required to be filed pursuant to this Act shall be  
14 filed electronically. Servicemen who demonstrate that they do  
15 not have access to the Internet or demonstrate hardship in  
16 filing electronically may petition the Department to waive the  
17 electronic filing requirement.

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

- 25 1. The name of the seller;
- 26 2. The address of the principal place of business from

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

3           3. The total amount of taxable receipts received by  
4           him during the preceding calendar month, including  
5           receipts from charge and time sales, but less all  
6           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;

10          5-5. The signature of the taxpayer; and

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

13          Each serviceman required or authorized to collect the tax  
14          imposed by this Act on aviation fuel transferred as an  
15          incident of a sale of service in this State during the  
16          preceding calendar month shall, instead of reporting and  
17          paying tax on aviation fuel as otherwise required by this  
18          Section, report and pay such tax on a separate aviation fuel  
19          tax return. The requirements related to the return shall be as  
20          otherwise provided in this Section. Notwithstanding any other  
21          provisions of this Act to the contrary, servicemen collecting  
22          tax on aviation fuel shall file all aviation fuel tax returns  
23          and shall make all aviation fuel tax payments by electronic  
24          means in the manner and form required by the Department. For  
25          purposes of this Section, "aviation fuel" means jet fuel and  
26          aviation gasoline.



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

5           Notwithstanding any other provision of this Act to the  
6 contrary, servicemen subject to tax on cannabis shall file all  
7 cannabis tax returns and shall make all cannabis tax payments  
8 by electronic means in the manner and form required by the  
9 Department.

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

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

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

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

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

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

24 If the serviceman is otherwise required to file a monthly  
25 return and if the serviceman's average monthly tax liability  
26 to 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 year  
3 being due by April 20 of such year; with the return for April,  
4 May and June of a given year being due by July 20 of such year;  
5 with the return for July, August and September of a given year  
6 being due by October 20 of such year, and with the return for  
7 October, November and December of a given year being due by  
8 January 20 of the following year.

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

25 Where a serviceman collects the tax with respect to the  
26 selling price of property which he sells and the purchaser

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

16 Any serviceman filing a return hereunder shall also  
17 include the total tax upon the selling price of tangible  
18 personal property purchased for use by him as an incident to a  
19 sale of service, and such serviceman shall remit the amount of  
20 such tax to the Department when filing such return.

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

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

6           Beginning January 1, 1990, each month the Department shall  
7 pay into the State and Local Tax Reform Fund, a special fund in  
8 the State Treasury, the net revenue realized for the preceding  
9 month from the 1% tax imposed under this Act.

10           Beginning January 1, 1990, each month the Department shall  
11 pay into the State and Local Sales Tax Reform Fund 20% of the  
12 net revenue realized for the preceding month from the 6.25%  
13 general rate on transfers of tangible personal property, other  
14 than (i) tangible personal property which is purchased outside  
15 Illinois at retail from a retailer and which is titled or  
16 registered by an agency of this State's government and (ii)  
17 aviation fuel sold on or after December 1, 2019. This  
18 exception for aviation fuel only applies for so long as the  
19 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
20 47133 are 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 State and Local Sales Tax Reform Fund 100% of the  
9 net revenue realized for the preceding month from the 1.25%  
10 rate on the 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  
21 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
22 amount equal to the average monthly deficit in the Underground  
23 Storage Tank Fund during the prior year, as certified annually  
24 by the 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 Occupation Tax Act, and the

1 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in  
2 any State fiscal year. As used in this paragraph, the "average  
3 monthly deficit" shall be equal to the difference between the  
4 average monthly claims for payment by the fund and the average  
5 monthly revenues deposited into the fund, excluding payments  
6 made 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, this Act, the  
9 Service Occupation Tax Act, and the Retailers' Occupation Tax  
10 Act, 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 Bond Account  
8 in 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 Clean Air Act Permit Fund, the Build Illinois Fund,  
3 and the McCormick Place Expansion Project Fund pursuant to the  
4 preceding paragraphs or in any amendments thereto hereafter  
5 enacted, for aviation fuel sold on or after December 1, 2019,  
6 the Department shall each month deposit into the Aviation Fuel  
7 Sales Tax Refund Fund an amount estimated by the Department to  
8 be required for refunds of the 80% portion of the tax on  
9 aviation fuel under this Act. The Department shall only  
10 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
11 under this paragraph for so long as the revenue use  
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
13 binding on the State.

14           Subject to payment of amounts into the Build Illinois Fund  
15 and the McCormick Place Expansion Project Fund pursuant to the  
16 preceding paragraphs or in any amendments thereto hereafter  
17 enacted, beginning July 1, 1993 and ending on September 30,  
18 2013, the Department shall each month pay into the Illinois  
19 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
20 the preceding month from the 6.25% general rate on the selling  
21 price of tangible personal property.

22           Subject to payment of amounts into the Build Illinois  
23 Fund, the McCormick Place Expansion Project Fund, the Illinois  
24 Tax Increment Fund, pursuant to the preceding paragraphs or in  
25 any amendments to this Section hereafter enacted, beginning on  
26 the first day of the first calendar month to occur on or after

1 August 26, 2014 (the effective date of Public Act 98-1098),  
2 each month, from the collections made under Section 9 of the  
3 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of  
4 the Service Occupation Tax Act, and Section 3 of the  
5 Retailers' Occupation Tax Act, the Department shall pay into  
6 the Tax Compliance and Administration Fund, to be used,  
7 subject to appropriation, to fund additional auditors and  
8 compliance personnel at the Department of Revenue, an amount  
9 equal to 1/12 of 5% of 80% of the cash receipts collected  
10 during the preceding fiscal year by the Audit Bureau of the  
11 Department under the Use Tax Act, the Service Use Tax Act, the  
12 Service Occupation Tax Act, the Retailers' Occupation Tax Act,  
13 and associated local occupation and use taxes administered by  
14 the Department.

15 Subject to payments of amounts into the Build Illinois  
16 Fund, the McCormick Place Expansion Project Fund, the Illinois  
17 Tax Increment Fund, and the Tax Compliance and Administration  
18 Fund as provided in this Section, beginning on July 1, 2018 the  
19 Department shall pay each month into the Downstate Public  
20 Transportation Fund the moneys required to be so paid under  
21 Section 2-3 of the Downstate Public Transportation Act.

22 Subject to successful execution and delivery of a  
23 public-private agreement between the public agency and private  
24 entity and completion of the civic build, beginning on July 1,  
25 2023, of the remainder of the moneys received by the  
26 Department under the Use Tax Act, the Service Use Tax Act, the

1 Service Occupation Tax Act, and this Act, the Department shall  
 2 deposit the following specified deposits in the aggregate from  
 3 collections under the Use Tax Act, the Service Use Tax Act, the  
 4 Service Occupation Tax Act, and the Retailers' Occupation Tax  
 5 Act, as required under Section 8.25g of the State Finance Act  
 6 for distribution consistent with the Public-Private  
 7 Partnership for Civic and Transit Infrastructure Project Act.  
 8 The moneys received by the Department pursuant to this Act and  
 9 required to be deposited into the Civic and Transit  
 10 Infrastructure Fund are subject to the pledge, claim, and  
 11 charge set forth in Section 25-55 of the Public-Private  
 12 Partnership for Civic and Transit Infrastructure Project Act.  
 13 As used in this paragraph, "civic build", "private entity",  
 14 "public-private agreement", and "public agency" have the  
 15 meanings provided in Section 25-10 of the Public-Private  
 16 Partnership for Civic and Transit Infrastructure Project Act.

17	Fiscal Year.....	Total Deposit
18	2024 .....	\$200,000,000
19	2025 .....	\$206,000,000
20	2026 .....	\$212,200,000
21	2027 .....	\$218,500,000
22	2028 .....	\$225,100,000
23	2029 .....	\$288,700,000
24	2030 .....	\$298,900,000
25	2031 .....	\$309,300,000
26	2032 .....	\$320,100,000

1	2033	.....	\$331,200,000
2	2034	.....	\$341,200,000
3	2035	.....	\$351,400,000
4	2036	.....	\$361,900,000
5	2037	.....	\$372,800,000
6	2038	.....	\$384,000,000
7	2039	.....	\$395,500,000
8	2040	.....	\$407,400,000
9	2041	.....	\$419,600,000
10	2042	.....	\$432,200,000
11	2043	.....	\$445,100,000

12           Beginning July 1, 2021 and until July 1, 2022, subject to  
13 the payment of amounts into the State and Local Sales Tax  
14 Reform Fund, the Build Illinois Fund, the McCormick Place  
15 Expansion Project Fund, the Energy Infrastructure Fund, and  
16 the Tax 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 16% of the net revenue  
19 realized from the taxes imposed on motor fuel and gasohol.  
20 Beginning July 1, 2022 and until July 1, 2023, 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 32% of the net revenue



1 realized from the taxes imposed on motor fuel and gasohol.  
2 Beginning July 1, 2023 and until July 1, 2024, 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 48% of the net revenue  
9 realized from the taxes imposed on motor fuel and gasohol.  
10 Beginning July 1, 2024 and until July 1, 2025, subject to the  
11 payment of amounts into the State and Local Sales Tax Reform  
12 Fund, the Build Illinois Fund, the McCormick Place Expansion  
13 Project Fund, the Illinois Tax Increment Fund, and the Tax  
14 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 64% of the net revenue  
17 realized from the taxes imposed on motor fuel and gasohol.  
18 Beginning on July 1, 2025, subject to the payment of amounts  
19 into the State and Local Sales Tax Reform Fund, the Build  
20 Illinois Fund, the McCormick Place Expansion Project Fund, the  
21 Illinois Tax Increment Fund, and the Tax Compliance and  
22 Administration Fund as provided in this Section, the  
23 Department shall pay each month into the Road Fund the amount  
24 estimated to represent 80% of the net revenue realized from  
25 the taxes imposed on motor fuel and gasohol. As used in this  
26 paragraph "motor fuel" has the meaning given to that term in

1 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the  
2 meaning given to that term in Section 3-40 of the Use Tax Act.

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

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

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

21 (Source: P.A. 102-700, eff. 4-19-22; 103-363, eff. 7-28-23.)

22 Section 75-15. The Service Occupation Tax Act is amended  
23 by changing Sections 2, 3, 3-5, and 3-10 and by adding Section  
24 1.05 as follows:

1 (35 ILCS 115/1.05 new)

2 Sec. 1.05. Legislative intent; leases. It is the intent of  
3 the General Assembly in enacting this amendatory Act of the  
4 103rd General Assembly to apply the tax imposed under this  
5 Act, except as otherwise provided in this Act, to persons  
6 engaged in the business of making sales of service (referred  
7 to as "servicemen") on all tangible personal property, other  
8 than motor vehicles, watercraft, aircraft, and semitrailers,  
9 as defined in Section 1-187 of the Illinois Vehicle Code, that  
10 are required to be registered with an agency of this State,  
11 transferred by lease, as an incident of a sale of service, for  
12 leases in effect, entered into, or renewed on or after January  
13 1, 2025.

14 (35 ILCS 115/2) (from Ch. 120, par. 439.102)

15 Sec. 2. In this Act:

16 "Transfer" means any transfer of the title to property or  
17 of the ownership of property whether or not the transferor  
18 retains title as security for the payment of amounts due him  
19 from the transferee. On and after January 1, 2025, "transfer"  
20 also means any transfer of the possession or control of, the  
21 right to possess or control, or a license to use, but not title  
22 to, tangible personal property.

23 "Lease" means a transfer of the possession or control of,  
24 the right to possess or control, or a license to use, but not  
25 title to, tangible personal property for a fixed or

1 indeterminate term for consideration, regardless of the name  
2 by which the transaction is called. "Lease" does not include a  
3 lease entered into merely as a security agreement that does  
4 not involve a transfer of possession or control from the  
5 lessor to the lessee.

6 On and after January 1, 2025, the term "sale", when used in  
7 this Act with respect to tangible personal property, includes  
8 a lease.

9 "Cost Price" means the consideration paid by the  
10 serviceman for a purchase, including, on and after January 1,  
11 2025, a lease, valued in money, whether paid in money or  
12 otherwise, including cash, credits and services, and shall be  
13 determined without any deduction on account of the supplier's  
14 cost of the property sold or on account of any other expense  
15 incurred by the supplier. When a serviceman contracts out part  
16 or all of the services required in his sale of service, it  
17 shall be presumed that the cost price to the serviceman of the  
18 property transferred to him by his or her subcontractor is  
19 equal to 50% of the subcontractor's charges to the serviceman  
20 in the absence of proof of the consideration paid by the  
21 subcontractor for the purchase of such property.

22 "Department" means the Department of Revenue.

23 "Person" means any natural individual, firm, partnership,  
24 association, joint stock company, joint venture, public or  
25 private corporation, limited liability company, and any  
26 receiver, executor, trustee, guardian or other representative

1 appointed by order of any court.

2 "Sale of Service" means any transaction except:

3 (a) A retail sale of tangible personal property taxable  
4 under the Retailers' Occupation Tax Act or under the Use Tax  
5 Act.

6 (b) A sale of tangible personal property for the purpose  
7 of resale made in compliance with Section 2c of the Retailers'  
8 Occupation Tax Act.

9 (c) Except as hereinafter provided, a sale or transfer of  
10 tangible personal property as an incident to the rendering of  
11 service for or by any governmental body or for or by any  
12 corporation, society, association, foundation or institution  
13 organized and operated exclusively for charitable, religious  
14 or educational purposes or any not-for-profit corporation,  
15 society, association, foundation, institution or organization  
16 which has no compensated officers or employees and which is  
17 organized and operated primarily for the recreation of persons  
18 55 years of age or older. A limited liability company may  
19 qualify for the exemption under this paragraph only if the  
20 limited liability company is organized and operated  
21 exclusively for educational purposes.

22 (d) (Blank).

23 (d-1) A sale or transfer of tangible personal property as  
24 an incident to the rendering of service for owners or τ  
25 lessors, lessees, or shippers of tangible personal property  
26 which is utilized by interstate carriers for hire for use as

1 rolling stock moving in interstate commerce, and equipment  
2 operated by a telecommunications provider, licensed as a  
3 common carrier by the Federal Communications Commission, which  
4 is permanently installed in or affixed to aircraft moving in  
5 interstate commerce.

6 (d-1.1) On and after July 1, 2003 and through June 30,  
7 2004, a sale or transfer of a motor vehicle of the second  
8 division with a gross vehicle weight in excess of 8,000 pounds  
9 as an incident to the rendering of service if that motor  
10 vehicle is subject to the commercial distribution fee imposed  
11 under Section 3-815.1 of the Illinois Vehicle Code. Beginning  
12 on July 1, 2004 and through June 30, 2005, the use in this  
13 State of motor vehicles of the second division: (i) with a  
14 gross vehicle weight rating in excess of 8,000 pounds; (ii)  
15 that are subject to the commercial distribution fee imposed  
16 under Section 3-815.1 of the Illinois Vehicle Code; and (iii)  
17 that are primarily used for commercial purposes. Through June  
18 30, 2005, this exemption applies to repair and replacement  
19 parts added after the initial purchase of such a motor vehicle  
20 if that motor vehicle is used in a manner that would qualify  
21 for the rolling stock exemption otherwise provided for in this  
22 Act. For purposes of this paragraph, "used for commercial  
23 purposes" means the transportation of persons or property in  
24 furtherance of any commercial or industrial enterprise whether  
25 for-hire or not.

26 (d-2) The repairing, reconditioning or remodeling, for a

1 common carrier by rail, of tangible personal property which  
2 belongs to such carrier for hire, and as to which such carrier  
3 receives the physical possession of the repaired,  
4 reconditioned or remodeled item of tangible personal property  
5 in Illinois, and which such carrier transports, or shares with  
6 another common carrier in the transportation of such property,  
7 out of Illinois on a standard uniform bill of lading showing  
8 the person who repaired, reconditioned or remodeled the  
9 property as the shipper or consignor of such property to a  
10 destination outside Illinois, for use outside Illinois.

11 (d-3) A sale or transfer of tangible personal property  
12 which is produced by the seller thereof on special order in  
13 such a way as to have made the applicable tax the Service  
14 Occupation Tax or the Service Use Tax, rather than the  
15 Retailers' Occupation Tax or the Use Tax, for an interstate  
16 carrier by rail which receives the physical possession of such  
17 property in Illinois, and which transports such property, or  
18 shares with another common carrier in the transportation of  
19 such property, out of Illinois on a standard uniform bill of  
20 lading showing the seller of the property as the shipper or  
21 consignor of such property to a destination outside Illinois,  
22 for use outside Illinois.

23 (d-4) Until January 1, 1997, a sale, by a registered  
24 serviceman paying tax under this Act to the Department, of  
25 special order printed materials delivered outside Illinois and  
26 which are not returned to this State, if delivery is made by

1 the seller or agent of the seller, including an agent who  
2 causes the product to be delivered outside Illinois by a  
3 common carrier or the U.S. postal service.

4 (e) A sale or transfer of machinery and equipment used  
5 primarily in the process of the manufacturing or assembling,  
6 either in an existing, an expanded or a new manufacturing  
7 facility, of tangible personal property for wholesale or  
8 retail sale or lease, whether such sale or lease is made  
9 directly by the manufacturer or by some other person, whether  
10 the materials used in the process are owned by the  
11 manufacturer or some other person, or whether such sale or  
12 lease is made apart from or as an incident to the seller's  
13 engaging in a service occupation and the applicable tax is a  
14 Service Occupation Tax or Service Use Tax, rather than  
15 Retailers' Occupation Tax or Use Tax. The exemption provided  
16 by this paragraph (e) includes production related tangible  
17 personal property, as defined in Section 3-50 of the Use Tax  
18 Act, purchased on or after July 1, 2019. The exemption  
19 provided by this paragraph (e) does not include machinery and  
20 equipment used in (i) the generation of electricity for  
21 wholesale or retail sale; (ii) the generation or treatment of  
22 natural or artificial gas for wholesale or retail sale that is  
23 delivered to customers through pipes, pipelines, or mains; or  
24 (iii) the treatment of water for wholesale or retail sale that  
25 is delivered to customers through pipes, pipelines, or mains.  
26 The provisions of Public Act 98-583 are declaratory of



1 existing law as to the meaning and scope of this exemption. The  
2 exemption under this subsection (e) is exempt from the  
3 provisions of Section 3-75.

4 (f) Until July 1, 2003, the sale or transfer of  
5 distillation machinery and equipment, sold as a unit or kit  
6 and assembled or installed by the retailer, which machinery  
7 and equipment is certified by the user to be used only for the  
8 production of ethyl alcohol that will be used for consumption  
9 as motor fuel or as a component of motor fuel for the personal  
10 use of such user and not subject to sale or resale.

11 (g) At the election of any serviceman not required to be  
12 otherwise registered as a retailer under Section 2a of the  
13 Retailers' Occupation Tax Act, made for each fiscal year sales  
14 of service in which the aggregate annual cost price of  
15 tangible personal property transferred as an incident to the  
16 sales of service is less than 35% (75% in the case of  
17 servicemen transferring prescription drugs or servicemen  
18 engaged in graphic arts production) of the aggregate annual  
19 total gross receipts from all sales of service. The purchase  
20 of such tangible personal property by the serviceman shall be  
21 subject to tax under the Retailers' Occupation Tax Act and the  
22 Use Tax Act. However, if a primary serviceman who has made the  
23 election described in this paragraph subcontracts service work  
24 to a secondary serviceman who has also made the election  
25 described in this paragraph, the primary serviceman does not  
26 incur a Use Tax liability if the secondary serviceman (i) has

1 paid or will pay Use Tax on his or her cost price of any  
2 tangible personal property transferred to the primary  
3 serviceman and (ii) certifies that fact in writing to the  
4 primary serviceman.

5 Tangible personal property transferred incident to the  
6 completion of a maintenance agreement is exempt from the tax  
7 imposed pursuant to this Act.

8 Exemption (e) also includes machinery and equipment used  
9 in the general maintenance or repair of such exempt machinery  
10 and equipment or for in-house manufacture of exempt machinery  
11 and equipment. On and after July 1, 2017, exemption (e) also  
12 includes graphic arts machinery and equipment, as defined in  
13 paragraph (5) of Section 3-5. The machinery and equipment  
14 exemption does not include machinery and equipment used in (i)  
15 the generation of electricity for wholesale or retail sale;  
16 (ii) the generation or treatment of natural or artificial gas  
17 for wholesale or retail sale that is delivered to customers  
18 through pipes, pipelines, or mains; or (iii) the treatment of  
19 water for wholesale or retail sale that is delivered to  
20 customers through pipes, pipelines, or mains. The provisions  
21 of Public Act 98-583 are declaratory of existing law as to the  
22 meaning and scope of this exemption. For the purposes of  
23 exemption (e), each of these terms shall have the following  
24 meanings: (1) "manufacturing process" shall mean the  
25 production of any article of tangible personal property,  
26 whether such article is a finished product or an article for

1 use in the process of manufacturing or assembling a different  
2 article of tangible personal property, by procedures commonly  
3 regarded as manufacturing, processing, fabricating, or  
4 refining which changes some existing material or materials  
5 into a material with a different form, use or name. In relation  
6 to a recognized integrated business composed of a series of  
7 operations which collectively constitute manufacturing, or  
8 individually constitute manufacturing operations, the  
9 manufacturing process shall be deemed to commence with the  
10 first operation or stage of production in the series, and  
11 shall not be deemed to end until the completion of the final  
12 product in the last operation or stage of production in the  
13 series; and further for purposes of exemption (e),  
14 photoprocessing is deemed to be a manufacturing process of  
15 tangible personal property for wholesale or retail sale; (2)  
16 "assembling process" shall mean the production of any article  
17 of tangible personal property, whether such article is a  
18 finished product or an article for use in the process of  
19 manufacturing or assembling a different article of tangible  
20 personal property, by the combination of existing materials in  
21 a manner commonly regarded as assembling which results in a  
22 material of a different form, use or name; (3) "machinery"  
23 shall mean major mechanical machines or major components of  
24 such machines contributing to a manufacturing or assembling  
25 process; and (4) "equipment" shall include any independent  
26 device or tool separate from any machinery but essential to an

1 integrated manufacturing or assembly process; including  
2 computers used primarily in a manufacturer's computer assisted  
3 design, computer assisted manufacturing (CAD/CAM) system; or  
4 any subunit or assembly comprising a component of any  
5 machinery or auxiliary, adjunct or attachment parts of  
6 machinery, such as tools, dies, jigs, fixtures, patterns and  
7 molds; or any parts which require periodic replacement in the  
8 course of normal operation; but shall not include hand tools.  
9 Equipment includes chemicals or chemicals acting as catalysts  
10 but only if the chemicals or chemicals acting as catalysts  
11 effect a direct and immediate change upon a product being  
12 manufactured or assembled for wholesale or retail sale or  
13 lease. The purchaser of such machinery and equipment who has  
14 an active resale registration number shall furnish such number  
15 to the seller at the time of purchase. The purchaser of such  
16 machinery and equipment and tools without an active resale  
17 registration number shall furnish to the seller a certificate  
18 of exemption stating facts establishing the exemption, which  
19 certificate shall be available to the Department for  
20 inspection or audit.

21 Except as provided in Section 2d of this Act, the rolling  
22 stock exemption applies to rolling stock used by an interstate  
23 carrier for hire, even just between points in Illinois, if  
24 such rolling stock transports, for hire, persons whose  
25 journeys or property whose shipments originate or terminate  
26 outside Illinois.

1 Any informal rulings, opinions or letters issued by the  
2 Department in response to an inquiry or request for any  
3 opinion from any person regarding the coverage and  
4 applicability of exemption (e) to specific devices shall be  
5 published, maintained as a public record, and made available  
6 for public inspection and copying. If the informal ruling,  
7 opinion or letter contains trade secrets or other confidential  
8 information, where possible the Department shall delete such  
9 information prior to publication. Whenever such informal  
10 rulings, opinions, or letters contain any policy of general  
11 applicability, the Department shall formulate and adopt such  
12 policy as a rule in accordance with the provisions of the  
13 Illinois Administrative Procedure Act.

14 On and after July 1, 1987, no entity otherwise eligible  
15 under exemption (c) of this Section shall make tax-free  
16 purchases unless it has an active exemption identification  
17 number issued by the Department.

18 "Serviceman" means any person who is engaged in the  
19 occupation of making sales of service.

20 "Sale at Retail" means "sale at retail" as defined in the  
21 Retailers' Occupation Tax Act, which, on and after January 1,  
22 2025, is defined to include leases.

23 "Supplier" means any person who makes sales of tangible  
24 personal property to servicemen for the purpose of resale as  
25 an incident to a sale of service.

26 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;

1 100-863, eff. 8-14-18; 101-9, eff. 6-5-19; 101-604, eff.  
2 12-13-19.)

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

4 Sec. 3. Tax imposed. A tax is imposed upon all persons  
5 engaged in the business of making sales of service (referred  
6 to as "servicemen") on all tangible personal property  
7 transferred, including, on and after January 1, 2025,  
8 transferred by lease, as an incident of a sale of service,  
9 including computer software, and including photographs,  
10 negatives, and positives that are the product of  
11 photoprocessing, but not including products of photoprocessing  
12 produced for use in motion pictures for public commercial  
13 exhibition. Beginning January 1, 2001, prepaid telephone  
14 calling arrangements shall be considered tangible personal  
15 property subject to the tax imposed under this Act regardless  
16 of the form in which those arrangements may be embodied,  
17 transmitted, or fixed by any method now known or hereafter  
18 developed. Sales of (1) electricity delivered to customers by  
19 wire; (2) natural or artificial gas that is delivered to  
20 customers through pipes, pipelines, or mains; and (3) water  
21 that is delivered to customers through pipes, pipelines, or  
22 mains are not subject to tax under this Act. The provisions of  
23 this amendatory Act of the 98th General Assembly are  
24 declaratory of existing law as to the meaning and scope of this  
25 Act.

1       The imposition of the tax under this Act on tangible  
2 personal property transferred by lease by persons engaged in  
3 the business of making sales of service applies to leases in  
4 effect, entered into, or renewed on or after January 1, 2025.  
5 In the case of leases, except as otherwise provided in this  
6 Act, the serviceman who is a lessor must remit for each tax  
7 return period only the tax applicable to that part of the  
8 selling price actually received during such tax return period.  
9       (Source: P.A. 98-583, eff. 1-1-14.)

10           (35 ILCS 115/3-5)

11           Sec. 3-5. Exemptions. The following tangible personal  
12 property is exempt from the tax imposed by this Act:

13           (1) Personal property sold by a corporation, society,  
14 association, foundation, institution, or organization, other  
15 than a limited liability company, that is organized and  
16 operated as a not-for-profit service enterprise for the  
17 benefit of persons 65 years of age or older if the personal  
18 property was not purchased by the enterprise for the purpose  
19 of resale by the enterprise.

20           (2) Personal property purchased by a not-for-profit  
21 Illinois county fair association for use in conducting,  
22 operating, or promoting the county fair.

23           (3) Personal property purchased by any not-for-profit arts  
24 or cultural organization that establishes, by proof required  
25 by the Department by rule, that it has received an exemption

1 under Section 501(c)(3) of the Internal Revenue Code and that  
2 is organized and operated primarily for the presentation or  
3 support of arts or cultural programming, activities, or  
4 services. These organizations include, but are not limited to,  
5 music and dramatic arts organizations such as symphony  
6 orchestras and theatrical groups, arts and cultural service  
7 organizations, local arts councils, visual arts organizations,  
8 and media arts organizations. On and after July 1, 2001 (the  
9 effective date of Public Act 92-35), however, an entity  
10 otherwise eligible for this exemption shall not make tax-free  
11 purchases unless it has an active identification number issued  
12 by the Department.

13 (4) Legal tender, currency, medallions, or gold or silver  
14 coinage issued by the State of Illinois, the government of the  
15 United States of America, or the government of any foreign  
16 country, and bullion.

17 (5) Until July 1, 2003 and beginning again on September 1,  
18 2004 through August 30, 2014, graphic arts machinery and  
19 equipment, including repair and replacement parts, both new  
20 and used, and including that manufactured on special order or  
21 purchased for lease, certified by the purchaser to be used  
22 primarily for graphic arts production. Equipment includes  
23 chemicals or chemicals acting as catalysts but only if the  
24 chemicals or chemicals acting as catalysts effect a direct and  
25 immediate change upon a graphic arts product. Beginning on  
26 July 1, 2017, graphic arts machinery and equipment is included



1 in the manufacturing and assembling machinery and equipment  
2 exemption under Section 2 of this Act.

3 (6) Personal property sold by a teacher-sponsored student  
4 organization affiliated with an elementary or secondary school  
5 located in Illinois.

6 (7) Farm machinery and equipment, both new and used,  
7 including that manufactured on special order, certified by the  
8 purchaser to be used primarily for production agriculture or  
9 State or federal agricultural programs, including individual  
10 replacement parts for the machinery and equipment, including  
11 machinery and equipment purchased for lease, and including  
12 implements of husbandry defined in Section 1-130 of the  
13 Illinois Vehicle Code, farm machinery and agricultural  
14 chemical and fertilizer spreaders, and nurse wagons required  
15 to be registered under Section 3-809 of the Illinois Vehicle  
16 Code, but excluding other motor vehicles required to be  
17 registered under the Illinois Vehicle Code. Horticultural  
18 polyhouses or hoop houses used for propagating, growing, or  
19 overwintering plants shall be considered farm machinery and  
20 equipment under this item (7). Agricultural chemical tender  
21 tanks and dry boxes shall include units sold separately from a  
22 motor vehicle required to be licensed and units sold mounted  
23 on a motor vehicle required to be licensed if the selling price  
24 of the tender is separately stated.

25 Farm machinery and equipment shall include precision  
26 farming equipment that is installed or purchased to be

1 installed on farm machinery and equipment, including, but not  
2 limited to, tractors, harvesters, sprayers, planters, seeders,  
3 or spreaders. Precision farming equipment includes, but is not  
4 limited to, soil testing sensors, computers, monitors,  
5 software, global positioning and mapping systems, and other  
6 such equipment.

7 Farm machinery and equipment also includes computers,  
8 sensors, software, and related equipment used primarily in the  
9 computer-assisted operation of production agriculture  
10 facilities, equipment, and activities such as, but not limited  
11 to, the collection, monitoring, and correlation of animal and  
12 crop data for the purpose of formulating animal diets and  
13 agricultural chemicals.

14 Beginning on January 1, 2024, farm machinery and equipment  
15 also includes electrical power generation equipment used  
16 primarily for production agriculture.

17 This item (7) is exempt from the provisions of Section  
18 3-55.

19 (8) Until June 30, 2013, fuel and petroleum products sold  
20 to or used by an air common carrier, certified by the carrier  
21 to be used for consumption, shipment, or storage in the  
22 conduct of its business as an air common carrier, for a flight  
23 destined for or returning from a location or locations outside  
24 the United States without regard to previous or subsequent  
25 domestic stopovers.

26 Beginning July 1, 2013, fuel and petroleum products sold

1 to or used by an air carrier, certified by the carrier to be  
2 used for consumption, shipment, or storage in the conduct of  
3 its business as an air common carrier, for a flight that (i) is  
4 engaged in foreign trade or is engaged in trade between the  
5 United States and any of its possessions and (ii) transports  
6 at least one individual or package for hire from the city of  
7 origination to the city of final destination on the same  
8 aircraft, without regard to a change in the flight number of  
9 that aircraft.

10 (9) Proceeds of mandatory service charges separately  
11 stated on customers' bills for the 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 directly  
15 in preparing, serving, hosting or cleaning up the food or  
16 beverage function with respect to which the service charge is  
17 imposed.

18 (10) Until July 1, 2003, oil field exploration, drilling,  
19 and production equipment, including (i) rigs and parts of  
20 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
21 pipe and tubular goods, including casing and drill strings,  
22 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
23 lines, (v) any individual replacement part for oil field  
24 exploration, drilling, and production equipment, and (vi)  
25 machinery and equipment purchased for lease; but excluding  
26 motor vehicles required to be registered under the Illinois

1 Vehicle Code.

2 (11) Photoprocessing machinery and equipment, including  
3 repair and replacement parts, both new and used, including  
4 that manufactured on special order, certified by the purchaser  
5 to be used primarily for photoprocessing, and including  
6 photoprocessing machinery and 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) Beginning January 1, 1992 and through June 30, 2016,  
19 food for human consumption that is to be consumed off the  
20 premises where it is sold (other than alcoholic beverages,  
21 soft drinks and food that has been prepared for immediate  
22 consumption) and prescription and non-prescription medicines,  
23 drugs, medical appliances, and insulin, urine testing  
24 materials, syringes, and needles used by diabetics, for human  
25 use, when purchased for use by a person receiving medical  
26 assistance under Article V of the Illinois Public Aid Code who

1 resides in a licensed long-term care facility, as defined in  
2 the Nursing Home Care Act, or in a licensed facility as defined  
3 in the ID/DD Community Care Act, the MC/DD Act, or the  
4 Specialized Mental Health Rehabilitation Act of 2013.

5 (14) Semen used for artificial insemination of livestock  
6 for direct agricultural production.

7 (15) Horses, or interests in horses, registered with and  
8 meeting the requirements of any of the Arabian Horse Club  
9 Registry of America, Appaloosa Horse Club, American Quarter  
10 Horse Association, United States Trotting Association, or  
11 Jockey Club, as appropriate, used for purposes of breeding or  
12 racing for prizes. This item (15) is exempt from the  
13 provisions of Section 3-55, and the exemption provided for  
14 under this item (15) applies for all periods beginning May 30,  
15 1995, but no claim for credit or refund is allowed on or after  
16 January 1, 2008 (the effective date of Public Act 95-88) for  
17 such taxes paid during the period beginning May 30, 2000 and  
18 ending on January 1, 2008 (the effective date of Public Act  
19 95-88).

20 (16) Computers and communications equipment utilized for  
21 any hospital purpose and equipment used in the diagnosis,  
22 analysis, or treatment of hospital patients sold to a lessor  
23 who leases the equipment, under a lease of one year or longer  
24 executed or in effect at the time of the purchase, to a  
25 hospital that has been issued an active tax exemption  
26 identification number by the Department under Section 1g of

1 the Retailers' Occupation Tax Act.

2 (17) Personal property sold to a lessor who leases the  
3 property, under a lease of one year or longer executed or in  
4 effect at the time of the purchase, to a governmental body that  
5 has been issued an active tax exemption identification number  
6 by the Department under Section 1g of the Retailers'  
7 Occupation Tax Act.

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 donated  
11 for disaster relief to be used in a State or federally declared  
12 disaster area in Illinois or bordering Illinois by a  
13 manufacturer or retailer that is registered in this State to a  
14 corporation, society, association, foundation, or institution  
15 that has been issued a sales tax exemption identification  
16 number by the Department that assists victims of the disaster  
17 who reside within the declared disaster area.

18 (19) Beginning with taxable years ending on or after  
19 December 31, 1995 and ending with taxable years ending on or  
20 before December 31, 2004, personal property that is used in  
21 the performance of infrastructure repairs in this State,  
22 including, but not limited to, municipal roads and streets,  
23 access roads, bridges, sidewalks, waste disposal systems,  
24 water and sewer line extensions, water distribution and  
25 purification facilities, storm water drainage and retention  
26 facilities, and sewage treatment facilities, resulting from a

1 State or federally declared disaster in Illinois or bordering  
2 Illinois when such repairs are initiated on facilities located  
3 in the declared disaster area within 6 months after the  
4 disaster.

5 (20) Beginning July 1, 1999, game or game birds sold at a  
6 "game breeding and hunting preserve area" as that term is used  
7 in the Wildlife Code. This paragraph is exempt from the  
8 provisions of Section 3-55.

9 (21) A motor vehicle, as that term is defined in Section  
10 1-146 of the Illinois Vehicle Code, that is donated to a  
11 corporation, limited liability company, society, association,  
12 foundation, or institution that is determined by the  
13 Department to be organized and operated exclusively for  
14 educational purposes. For purposes of this exemption, "a  
15 corporation, limited liability company, society, association,  
16 foundation, or institution organized and operated exclusively  
17 for educational purposes" means all tax-supported public  
18 schools, private schools that offer systematic instruction in  
19 useful branches of learning by methods common to public  
20 schools and that compare favorably in their scope and  
21 intensity with the course of study presented in tax-supported  
22 schools, and vocational or technical schools or institutes  
23 organized and operated exclusively to provide a course of  
24 study of not less than 6 weeks duration and designed to prepare  
25 individuals to follow a trade or to pursue a manual,  
26 technical, mechanical, industrial, business, or commercial

1 occupation.

2 (22) Beginning January 1, 2000, personal property,  
3 including food, purchased through fundraising events for the  
4 benefit of a public or private elementary or secondary school,  
5 a group of those schools, or one or more school districts if  
6 the events are sponsored by an entity recognized by the school  
7 district that consists primarily of volunteers and includes  
8 parents and teachers of the school children. This paragraph  
9 does not apply to fundraising events (i) for the benefit of  
10 private home instruction or (ii) for which the fundraising  
11 entity purchases the personal property sold at the events from  
12 another individual or entity that sold the property for the  
13 purpose of resale by the fundraising entity and that profits  
14 from the sale to the fundraising entity. This paragraph is  
15 exempt from the provisions of Section 3-55.

16 (23) Beginning January 1, 2000 and through December 31,  
17 2001, new or used automatic vending machines that prepare and  
18 serve hot food and beverages, including coffee, soup, and  
19 other items, and replacement parts for these machines.  
20 Beginning January 1, 2002 and through June 30, 2003, machines  
21 and parts for machines used in commercial, coin-operated  
22 amusement and vending business if a use or occupation tax is  
23 paid on the gross receipts derived from the use of the  
24 commercial, coin-operated amusement and vending machines. This  
25 paragraph is exempt from the provisions of Section 3-55.

26 (24) Beginning on August 2, 2001 (the effective date of



1 Public Act 92-227), computers and communications equipment  
2 utilized for any hospital purpose and equipment used in the  
3 diagnosis, analysis, or treatment of hospital patients sold to  
4 a lessor who leases the equipment, under a lease of one year or  
5 longer executed or in effect at the time of the purchase, to a  
6 hospital 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 (25) Beginning on August 2, 2001 (the effective date of  
11 Public Act 92-227), personal property sold to a lessor who  
12 leases the property, under a lease of one year or longer  
13 executed or in effect at the time of the purchase, to a  
14 governmental body that has been issued an active tax exemption  
15 identification number by the Department under Section 1g of  
16 the Retailers' Occupation Tax Act. This paragraph is exempt  
17 from the provisions of Section 3-55.

18 (26) Beginning on January 1, 2002 and through June 30,  
19 2016, tangible personal property purchased from an Illinois  
20 retailer by a taxpayer engaged in centralized purchasing  
21 activities in Illinois who will, upon receipt of the property  
22 in Illinois, temporarily store the property in Illinois (i)  
23 for the purpose of subsequently transporting it outside this  
24 State for use or consumption thereafter solely outside this  
25 State or (ii) for the purpose of being processed, fabricated,  
26 or manufactured into, attached to, or incorporated into other

1 tangible personal property to be transported outside this  
2 State and thereafter used or consumed solely outside this  
3 State. The Director of Revenue shall, pursuant to rules  
4 adopted in accordance with the Illinois Administrative  
5 Procedure Act, issue a permit to any taxpayer in good standing  
6 with the Department who is eligible for the exemption under  
7 this paragraph (26). The permit issued under this paragraph  
8 (26) shall authorize the holder, to the extent and in the  
9 manner specified in the rules adopted under this Act, to  
10 purchase tangible personal property from a retailer exempt  
11 from the taxes imposed by this Act. Taxpayers shall maintain  
12 all necessary books and records to substantiate the use and  
13 consumption of all such tangible personal property outside of  
14 the State of Illinois.

15 (27) Beginning January 1, 2008, tangible personal property  
16 used in the construction or maintenance of a community water  
17 supply, as defined under Section 3.145 of the Environmental  
18 Protection Act, that is operated by a not-for-profit  
19 corporation that holds a valid water supply permit issued  
20 under Title IV of the Environmental Protection Act. This  
21 paragraph is exempt from the provisions of Section 3-55.

22 (28) Tangible personal property sold to a  
23 public-facilities corporation, as described in Section  
24 11-65-10 of the Illinois Municipal Code, for purposes of  
25 constructing or furnishing a municipal convention hall, but  
26 only if the legal title to the municipal convention hall is

1 transferred to the municipality without any further  
2 consideration by or on behalf of the municipality at the time  
3 of the completion of the municipal convention hall or upon the  
4 retirement or redemption of any bonds or other debt  
5 instruments issued by the public-facilities corporation in  
6 connection with the development of the municipal convention  
7 hall. This exemption includes existing public-facilities  
8 corporations as provided in Section 11-65-25 of the Illinois  
9 Municipal Code. This paragraph is exempt from the provisions  
10 of Section 3-55.

11 (29) Beginning January 1, 2010 and continuing through  
12 December 31, 2029, materials, parts, equipment, components,  
13 and furnishings incorporated into or upon an aircraft as part  
14 of the modification, refurbishment, completion, replacement,  
15 repair, or maintenance of the aircraft. This exemption  
16 includes consumable supplies used in the modification,  
17 refurbishment, completion, replacement, repair, and  
18 maintenance of aircraft. However, until January 1, 2024, this  
19 exemption excludes any materials, parts, equipment,  
20 components, and consumable supplies used in the modification,  
21 replacement, repair, and maintenance of aircraft engines or  
22 power plants, whether such engines or power plants are  
23 installed or uninstalled upon any such aircraft. "Consumable  
24 supplies" include, but are not limited to, adhesive, tape,  
25 sandpaper, general purpose lubricants, cleaning solution,  
26 latex gloves, and protective films.

1           Beginning January 1, 2010 and continuing through December  
2 31, 2023, this exemption applies only to the transfer of  
3 qualifying tangible personal property incident to the  
4 modification, refurbishment, completion, replacement, repair,  
5 or maintenance of an aircraft by persons who (i) hold an Air  
6 Agency Certificate and are empowered to operate an approved  
7 repair station by the Federal Aviation Administration, (ii)  
8 have a Class IV Rating, and (iii) conduct operations in  
9 accordance with Part 145 of the Federal Aviation Regulations.  
10 The exemption does not include aircraft operated by a  
11 commercial air carrier providing scheduled passenger air  
12 service pursuant to authority issued under Part 121 or Part  
13 129 of the Federal Aviation Regulations. From January 1, 2024  
14 through December 31, 2029, this exemption applies only to the  
15 use of qualifying tangible personal property by: (A) persons  
16 who modify, refurbish, complete, repair, replace, or maintain  
17 aircraft and who (i) hold an Air Agency Certificate and are  
18 empowered to operate an approved repair station by the Federal  
19 Aviation Administration, (ii) have a Class IV Rating, and  
20 (iii) conduct operations in accordance with Part 145 of the  
21 Federal Aviation Regulations; and (B) persons who engage in  
22 the modification, replacement, repair, and maintenance of  
23 aircraft engines or power plants without regard to whether or  
24 not those persons meet the qualifications of item (A).

25           The changes made to this paragraph (29) by Public Act  
26 98-534 are declarative of existing law. It is the intent of the

1 General Assembly that the exemption under this paragraph (29)  
2 applies continuously from January 1, 2010 through December 31,  
3 2024; however, no claim for credit or refund is allowed for  
4 taxes paid as a result of the disallowance of this exemption on  
5 or after January 1, 2015 and prior to February 5, 2020 (the  
6 effective date of Public Act 101-629).

7 (30) Beginning January 1, 2017 and through December 31,  
8 2026, menstrual pads, tampons, and menstrual cups.

9 (31) Tangible personal property transferred to a purchaser  
10 who is exempt from tax by operation of federal law. This  
11 paragraph is exempt from the provisions of Section 3-55.

12 (32) Qualified tangible personal property used in the  
13 construction or operation of a data center that has been  
14 granted a certificate of exemption by the Department of  
15 Commerce and Economic Opportunity, whether that tangible  
16 personal property is purchased by the owner, operator, or  
17 tenant of the data center or by a contractor or subcontractor  
18 of the owner, operator, or tenant. Data centers that would  
19 have qualified for a certificate of exemption prior to January  
20 1, 2020 had Public Act 101-31 been in effect, may apply for and  
21 obtain an exemption for subsequent purchases of computer  
22 equipment or enabling software purchased or leased to upgrade,  
23 supplement, or replace computer equipment or enabling software  
24 purchased or leased in the original investment that would have  
25 qualified.

26 The Department of Commerce and Economic Opportunity shall

1 grant a certificate of exemption under this item (32) to  
2 qualified data centers as defined by Section 605-1025 of the  
3 Department of Commerce and Economic Opportunity Law of the  
4 Civil Administrative Code of Illinois.

5 For the purposes of this item (32):

6 "Data center" means a building or a series of  
7 buildings rehabilitated or constructed to house working  
8 servers in one physical location or multiple sites within  
9 the State of Illinois.

10 "Qualified tangible personal property" means:  
11 electrical systems and equipment; climate control and  
12 chilling equipment and systems; mechanical systems and  
13 equipment; monitoring and secure systems; emergency  
14 generators; hardware; computers; servers; data storage  
15 devices; network connectivity equipment; racks; cabinets;  
16 telecommunications cabling infrastructure; raised floor  
17 systems; peripheral components or systems; software;  
18 mechanical, electrical, or plumbing systems; battery  
19 systems; cooling systems and towers; temperature control  
20 systems; other cabling; and other data center  
21 infrastructure equipment and systems necessary to operate  
22 qualified tangible personal property, including fixtures;  
23 and component parts of any of the foregoing, including  
24 installation, maintenance, repair, refurbishment, and  
25 replacement of qualified tangible personal property to  
26 generate, transform, transmit, distribute, or manage

1 electricity necessary to operate qualified tangible  
2 personal property; and all other tangible personal  
3 property that is essential to the operations of a computer  
4 data center. The term "qualified tangible personal  
5 property" also includes building materials physically  
6 incorporated into ~~in to~~ the qualifying data center. To  
7 document the exemption allowed under this Section, the  
8 retailer must obtain from the purchaser a copy of the  
9 certificate of eligibility issued by the Department of  
10 Commerce and Economic Opportunity.

11 This item (32) is exempt from the provisions of Section  
12 3-55.

13 (33) Beginning July 1, 2022, breast pumps, breast pump  
14 collection and storage supplies, and breast pump kits. This  
15 item (33) is exempt from the provisions of Section 3-55. As  
16 used in this item (33):

17 "Breast pump" means an electrically controlled or  
18 manually controlled pump device designed or marketed to be  
19 used to express milk from a human breast during lactation,  
20 including the pump device and any battery, AC adapter, or  
21 other power supply unit that is used to power the pump  
22 device and is packaged and sold with the pump device at the  
23 time of sale.

24 "Breast pump collection and storage supplies" means  
25 items of tangible personal property designed or marketed  
26 to be used in conjunction with a breast pump to collect

1 milk expressed from a human breast and to store collected  
2 milk until it is ready for consumption.

3 "Breast pump collection and storage supplies"  
4 includes, but is not limited to: breast shields and breast  
5 shield connectors; breast pump tubes and tubing adapters;  
6 breast pump valves and membranes; backflow protectors and  
7 backflow protector adaptors; bottles and bottle caps  
8 specific to the operation of the breast pump; and breast  
9 milk storage bags.

10 "Breast pump collection and storage supplies" does not  
11 include: (1) bottles and bottle caps not specific to the  
12 operation of the breast pump; (2) breast pump travel bags  
13 and other similar carrying accessories, including ice  
14 packs, labels, and other similar products; (3) breast pump  
15 cleaning supplies; (4) nursing bras, bra pads, breast  
16 shells, and other similar products; and (5) creams,  
17 ointments, and other similar products that relieve  
18 breastfeeding-related symptoms or conditions of the  
19 breasts or nipples, unless sold as part of a breast pump  
20 kit that is pre-packaged by the breast pump manufacturer  
21 or distributor.

22 "Breast pump kit" means a kit that: (1) contains no  
23 more than a breast pump, breast pump collection and  
24 storage supplies, a rechargeable battery for operating the  
25 breast pump, a breastmilk cooler, bottle stands, ice  
26 packs, and a breast pump carrying case; and (2) is



1 pre-packaged as a breast pump kit by the breast pump  
2 manufacturer or distributor.

3 (34) Tangible personal property sold by or on behalf of  
4 the State Treasurer pursuant to the Revised Uniform Unclaimed  
5 Property Act. This item (34) is exempt from the provisions of  
6 Section 3-55.

7 (35) Beginning on January 1, 2024, tangible personal  
8 property purchased by an active duty member of the armed  
9 forces of the United States who presents valid military  
10 identification and purchases the property using a form of  
11 payment where the federal government is the payor. The member  
12 of the armed forces must complete, at the point of sale, a form  
13 prescribed by the Department of Revenue documenting that the  
14 transaction is eligible for the exemption under this  
15 paragraph. Retailers must keep the form as documentation of  
16 the exemption in their records for a period of not less than 6  
17 years. "Armed forces of the United States" means the United  
18 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
19 This paragraph is exempt from the provisions of Section 3-55.

20 (36) The lease of the following tangible personal  
21 property:

22 (1) computer software transferred subject to a license  
23 that meets the following requirements:

24 (A) it is evidenced by a written agreement signed  
25 by the licensor and the customer;

26 (i) an electronic agreement in which the

1           customer accepts the license by means of an  
2           electronic signature that is verifiable and can be  
3           authenticated and is attached to or made part of  
4           the license will comply with this requirement;

5           (ii) a license agreement in which the customer  
6           electronically accepts the terms by clicking "I  
7           agree" does not comply with this requirement;

8           (B) it restricts the customer's duplication and  
9           use of the software;

10           (C) it prohibits the customer from licensing,  
11           sublicensing, or transferring the software to a third  
12           party (except to a related party) without the  
13           permission and continued control of the licensor;

14           (D) the licensor has a policy of providing another  
15           copy at minimal or no charge if the customer loses or  
16           damages the software, or of permitting the licensee to  
17           make and keep an archival copy, and such policy is  
18           either stated in the license agreement, supported by  
19           the licensor's books and records, or supported by a  
20           notarized statement made under penalties of perjury by  
21           the licensor; and

22           (E) the customer must destroy or return all copies  
23           of the software to the licensor at the end of the  
24           license period; this provision is deemed to be met, in  
25           the case of a perpetual license, without being set  
26           forth in the license agreement; and

1           (2) property that is subject to a tax on lease  
2           receipts imposed by a home rule unit of local government  
3           if the ordinance imposing that tax was adopted prior to  
4           January 1, 2023.

5           (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
6           Section 70-15, eff. 4-19-22; 102-700, Article 75, Section  
7           75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
8           Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,  
9           eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
10          revised 12-12-23.)

11           (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

12           Sec. 3-10. Rate of tax. Unless otherwise provided in this  
13           Section, the tax imposed by this Act is at the rate of 6.25% of  
14           the "selling price", as defined in Section 2 of the Service Use  
15           Tax Act, of the tangible personal property, including, on and  
16           after January 1, 2025, tangible personal property transferred  
17           by lease. For the purpose of computing this tax, in no event  
18           shall the "selling price" be less than the cost price to the  
19           serviceman of the tangible personal property transferred. The  
20           selling price of each item of tangible personal property  
21           transferred as an incident of a sale of service may be shown as  
22           a distinct and separate item on the serviceman's billing to  
23           the service customer. If the selling price is not so shown, the  
24           selling price of the tangible personal property is deemed to  
25           be 50% of the serviceman's entire billing to the service

1 customer. When, however, a serviceman contracts to design,  
2 develop, and produce special order machinery or equipment, the  
3 tax imposed by this Act shall be based on the serviceman's cost  
4 price of the tangible personal property transferred incident  
5 to the completion of the contract.

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

10 With respect to gasohol, as defined in the Use Tax Act, the  
11 tax imposed by this Act shall apply to (i) 70% of the cost  
12 price of property transferred as an incident to the sale of  
13 service on or after January 1, 1990, and before July 1, 2003,  
14 (ii) 80% of the selling price of property transferred as an  
15 incident to the sale of service on or after July 1, 2003 and on  
16 or before July 1, 2017, (iii) 100% of the selling price of  
17 property transferred as an incident to the sale of service  
18 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
19 the selling price of property transferred as an incident to  
20 the sale of service on or after January 1, 2024 and on or  
21 before December 31, 2028, and (v) 100% of the selling price of  
22 property transferred as an incident to the sale of service  
23 after December 31, 2028. If, at any time, however, the tax  
24 under this Act on sales of gasohol, as defined in the Use Tax  
25 Act, is imposed at the rate of 1.25%, then the tax imposed by  
26 this Act applies to 100% of the proceeds of sales of gasohol

1 made during that time.

2 With respect to mid-range ethanol blends, as defined in  
3 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
4 applies to (i) 80% of the selling price of property  
5 transferred as an incident to the sale of service on or after  
6 January 1, 2024 and on or before December 31, 2028 and (ii)  
7 100% of the selling price of property transferred as an  
8 incident to the sale of service after December 31, 2028. If, at  
9 any time, however, the tax under this Act on sales of mid-range  
10 ethanol blends is imposed at the rate of 1.25%, then the tax  
11 imposed by this Act applies to 100% of the selling price of  
12 mid-range ethanol blends transferred as an incident to the  
13 sale of service during that time.

14 With respect to majority blended ethanol fuel, as defined  
15 in the Use Tax Act, the tax imposed by this Act does not apply  
16 to the selling price of property transferred as an incident to  
17 the sale of service on or after July 1, 2003 and on or before  
18 December 31, 2028 but applies to 100% of the selling price  
19 thereafter.

20 With respect to biodiesel blends, as defined in the Use  
21 Tax Act, with no less than 1% and no more than 10% biodiesel,  
22 the tax imposed by this Act applies to (i) 80% of the selling  
23 price of property transferred as an incident to the sale of  
24 service on or after July 1, 2003 and on or before December 31,  
25 2018 and (ii) 100% of the proceeds of the selling price after  
26 December 31, 2018 and before January 1, 2024. On and after

1 January 1, 2024 and on or before December 31, 2030, the  
2 taxation of biodiesel, renewable diesel, and biodiesel blends  
3 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
4 at any time, however, the tax under this Act on sales of  
5 biodiesel blends, as defined in the Use Tax Act, with no less  
6 than 1% and no more than 10% biodiesel is imposed at the rate  
7 of 1.25%, then the tax imposed by this Act applies to 100% of  
8 the proceeds of sales of biodiesel blends with no less than 1%  
9 and no more than 10% biodiesel made during that time.

10 With respect to biodiesel, as defined in the Use Tax Act,  
11 and biodiesel blends, as defined in the Use Tax Act, with more  
12 than 10% but no more than 99% biodiesel material, the tax  
13 imposed by this Act does not apply to the proceeds of the  
14 selling price of property transferred as an incident to the  
15 sale of service on or after July 1, 2003 and on or before  
16 December 31, 2023. On and after January 1, 2024 and on or  
17 before December 31, 2030, the taxation of biodiesel, renewable  
18 diesel, and biodiesel blends shall be as provided in Section  
19 3-5.1 of the Use Tax Act.

20 At the election of any registered serviceman made for each  
21 fiscal year, sales of service in which the aggregate annual  
22 cost price of tangible personal property transferred as an  
23 incident to the sales of service is less than 35%, or 75% in  
24 the case of servicemen transferring prescription drugs or  
25 servicemen engaged in graphic arts production, of the  
26 aggregate annual total gross receipts from all sales of

1 service, the tax imposed by this Act shall be based on the  
2 serviceman's cost price of the tangible personal property  
3 transferred incident to the sale of those services.

4 Until July 1, 2022 and beginning again on July 1, 2023, the  
5 tax shall be imposed at the rate of 1% on food prepared for  
6 immediate consumption and transferred incident to a sale of  
7 service subject to this Act or the Service Use Tax Act by an  
8 entity licensed under the Hospital Licensing Act, the Nursing  
9 Home Care Act, the Assisted Living and Shared Housing Act, the  
10 ID/DD Community Care Act, the MC/DD Act, the Specialized  
11 Mental Health Rehabilitation Act of 2013, or the Child Care  
12 Act of 1969, or an entity that holds a permit issued pursuant  
13 to the Life Care Facilities Act. Until July 1, 2022 and  
14 beginning again on July 1, 2023, the tax shall also be imposed  
15 at the rate of 1% 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 and is not otherwise included in this  
20 paragraph).

21 Beginning on July 1, 2022 and until July 1, 2023, the tax  
22 shall be imposed at the rate of 0% on food prepared for  
23 immediate consumption and transferred incident to a sale of  
24 service subject to this Act or the Service Use Tax Act by an  
25 entity licensed under the Hospital Licensing Act, the Nursing  
26 Home Care Act, the Assisted Living and Shared Housing Act, the

1 ID/DD Community Care Act, the MC/DD Act, the Specialized  
2 Mental Health Rehabilitation Act of 2013, or the Child Care  
3 Act of 1969, or an entity that holds a permit issued pursuant  
4 to the Life Care Facilities Act. Beginning July 1, 2022 and  
5 until July 1, 2023, the tax shall also be imposed at the rate  
6 of 0% on food for human consumption that is to be consumed off  
7 the 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 and is not otherwise included in this paragraph).

11 The tax shall also be imposed at the rate of 1% on  
12 prescription and nonprescription medicines, drugs, medical  
13 appliances, products classified as Class III medical devices  
14 by the United States Food and Drug Administration that are  
15 used for cancer treatment pursuant to a prescription, as well  
16 as any accessories and components related to those devices,  
17 modifications to a motor vehicle for the purpose of rendering  
18 it usable by a person with a disability, and insulin, blood  
19 sugar testing materials, syringes, and needles used by human  
20 diabetics. For the purposes of this Section, until September  
21 1, 2009: the term "soft drinks" means any complete, finished,  
22 ready-to-use, non-alcoholic drink, whether carbonated or not,  
23 including, but not limited to, soda water, cola, fruit juice,  
24 vegetable juice, carbonated water, and all other preparations  
25 commonly known as soft drinks of whatever kind or description  
26 that are contained in any closed or sealed can, carton, or



1 container, regardless of size; but "soft drinks" does not  
2 include coffee, tea, non-carbonated water, infant formula,  
3 milk or milk products as defined in the Grade A Pasteurized  
4 Milk and Milk Products Act, or drinks containing 50% or more  
5 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; 102-16, eff. 6-17-21;  
9 102-700, Article 20, Section 20-15, eff. 4-19-22; 102-700,  
10 Article 60, Section 60-25, eff. 4-19-22; 103-9, eff. 6-7-23;  
11 103-154, eff. 6-30-23.)

12 Section 75-20. The Retailers' Occupation Tax Act is  
13 amended by changing the title of the Act, by changing Sections  
14 1, 2, 2-5, 2-10, 2-12, 2a, 2c, and 3, and by adding Section  
15 1.05 as follows:

16 (35 ILCS 120/Act title)

17 An Act in relation to a tax upon persons engaged in the  
18 business of selling, including leasing, tangible personal  
19 property.

20 (35 ILCS 120/1) (from Ch. 120, par. 440)

21 Sec. 1. Definitions. "Sale at retail" means any transfer  
22 of the ownership of, the ~~or~~ title to, the possession or control  
23 of, the right to possess or control, or a license to use

1 tangible personal property to a purchaser, for the purpose of  
2 use or consumption, and not for the purpose of resale in any  
3 form as tangible personal property to the extent not first  
4 subjected to a use for which it was purchased, for a valuable  
5 consideration: Provided that the property purchased is deemed  
6 to be purchased for the purpose of resale, despite first being  
7 used, to the extent to which it is resold as an ingredient of  
8 an intentionally produced product or byproduct of  
9 manufacturing. For this purpose, slag produced as an incident  
10 to manufacturing pig iron or steel and sold is considered to be  
11 an intentionally produced byproduct of manufacturing.  
12 Transactions whereby the possession of the property is  
13 transferred but the seller retains the title as security for  
14 payment of the selling price shall be deemed to be sales.

15 "Sale at retail" shall be construed to include any  
16 transfer of the ownership of, the ~~or~~ title to, the possession  
17 or control of, the right to possess or control, or a license to  
18 use tangible personal property to a purchaser, for use or  
19 consumption by any other person to whom such purchaser may  
20 transfer the tangible personal property without a valuable  
21 consideration, and to include any transfer, whether made for  
22 or without a valuable consideration, for resale in any form as  
23 tangible personal property unless made in compliance with  
24 Section 2c of this Act.

25 Sales of tangible personal property, which property, to  
26 the extent not first subjected to a use for which it was

1 purchased, as an ingredient or constituent, goes into and  
2 forms a part of tangible personal property subsequently the  
3 subject of a "Sale at retail", are not sales at retail as  
4 defined in this Act: Provided that the property purchased is  
5 deemed to be purchased for the purpose of resale, despite  
6 first being used, to the extent to which it is resold as an  
7 ingredient of an intentionally produced product or byproduct  
8 of manufacturing.

9 "Sale at retail" shall be construed to include any  
10 Illinois florist's sales transaction in which the purchase  
11 order is received in Illinois by a florist and the sale is for  
12 use or consumption, but the Illinois florist has a florist in  
13 another state deliver the property to the purchaser or the  
14 purchaser's donee in such other state.

15 Nonreusable tangible personal property that is used by  
16 persons engaged in the business of operating a restaurant,  
17 cafeteria, or drive-in is a sale for resale when it is  
18 transferred to customers in the ordinary course of business as  
19 part of the sale of food or beverages and is used to deliver,  
20 package, or consume food or beverages, regardless of where  
21 consumption of the food or beverages occurs. Examples of those  
22 items include, but are not limited to nonreusable, paper and  
23 plastic cups, plates, baskets, boxes, sleeves, buckets or  
24 other containers, utensils, straws, placemats, napkins, doggie  
25 bags, and wrapping or packaging materials that are transferred  
26 to customers as part of the sale of food or beverages in the

1 ordinary course of business.

2 The purchase, employment and transfer of such tangible  
3 personal property as newsprint and ink for the primary purpose  
4 of conveying news (with or without other information) is not a  
5 purchase, use or sale of tangible personal property.

6 A person whose activities are organized and conducted  
7 primarily as a not-for-profit service enterprise, and who  
8 engages in selling tangible personal property at retail  
9 (whether to the public or merely to members and their guests)  
10 is engaged in the business of selling tangible personal  
11 property at retail with respect to such transactions,  
12 excepting only a person organized and operated exclusively for  
13 charitable, religious or educational purposes either (1), to  
14 the extent of sales by such person to its members, students,  
15 patients or inmates of tangible personal property to be used  
16 primarily for the purposes of such person, or (2), to the  
17 extent of sales by such person of tangible personal property  
18 which is not sold or offered for sale by persons organized for  
19 profit. The selling of school books and school supplies by  
20 schools at retail to students is not "primarily for the  
21 purposes of" the school which does such selling. The  
22 provisions of this paragraph shall not apply to nor subject to  
23 taxation occasional dinners, socials or similar activities of  
24 a person organized and operated exclusively for charitable,  
25 religious or educational purposes, whether or not such  
26 activities are open to the public.

1           A person who is the recipient of a grant or contract under  
2 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and  
3 serves meals to participants in the federal Nutrition Program  
4 for the Elderly in return for contributions established in  
5 amount by the individual participant pursuant to a schedule of  
6 suggested fees as provided for in the federal Act is not  
7 engaged in the business of selling tangible personal property  
8 at retail with respect to such transactions.

9           "Lease" means a transfer of the possession or control of,  
10 the right to possess or control, or a license to use, but not  
11 title to, tangible personal property for a fixed or  
12 indeterminate term for consideration, regardless of the name  
13 by which the transaction is called. "Lease" does not include a  
14 lease entered into merely as a security agreement that does  
15 not involve a transfer of possession or control from the  
16 lessor to the lessee.

17           On and after January 1, 2025, the term "sale", when used in  
18 this Act, includes a lease.

19           "Purchaser" means anyone who, through a sale at retail,  
20 acquires the ownership of, the ~~or~~ title to, the possession or  
21 control of, the right to possess or control, or a license to  
22 use tangible personal property for a valuable consideration.

23           "Reseller of motor fuel" means any person engaged in the  
24 business of selling or delivering or transferring title of  
25 motor fuel to another person other than for use or  
26 consumption. No person shall act as a reseller of motor fuel

1 within this State without first being registered as a reseller  
2 pursuant to Section 2c or a retailer pursuant to Section 2a.

3 "Selling price" or the "amount of sale" means the  
4 consideration for a sale valued in money whether received in  
5 money or otherwise, including cash, credits, property, other  
6 than as hereinafter provided, and services, but, prior to  
7 January 1, 2020 and beginning again on January 1, 2022, not  
8 including the value of or credit given for traded-in tangible  
9 personal property where the item that is traded-in is of like  
10 kind and character as that which is being sold; beginning  
11 January 1, 2020 and until January 1, 2022, "selling price"  
12 includes the portion of the value of or credit given for  
13 traded-in motor vehicles of the First Division as defined in  
14 Section 1-146 of the Illinois Vehicle Code of like kind and  
15 character as that which is being sold that exceeds \$10,000.

16 "Selling price" shall be determined without any deduction on  
17 account of the cost of the property sold, the cost of materials  
18 used, labor or service cost or any other expense whatsoever,  
19 but does not include charges that are added to prices by  
20 sellers on account of the seller's tax liability under this  
21 Act, or on account of the seller's duty to collect, from the  
22 purchaser, the tax that is imposed by the Use Tax Act, or,  
23 except as otherwise provided with respect to any cigarette tax  
24 imposed by a home rule unit, on account of the seller's tax  
25 liability under any local occupation tax administered by the  
26 Department, or, except as otherwise provided with respect to



1 any cigarette tax imposed by a home rule unit on account of the  
2 seller's duty to collect, from the purchasers, the tax that is  
3 imposed under any local use tax administered by the  
4 Department. Effective December 1, 1985, "selling price" shall  
5 include charges that are added to prices by sellers on account  
6 of the seller's tax liability under the Cigarette Tax Act, on  
7 account of the sellers' duty to collect, from the purchaser,  
8 the tax imposed under the Cigarette Use Tax Act, and on account  
9 of the seller's duty to collect, from the purchaser, any  
10 cigarette tax imposed by a home rule unit.

11 The provisions of this paragraph, which provides only for  
12 an alternative meaning of "selling price" with respect to the  
13 sale of certain motor vehicles incident to the contemporaneous  
14 lease of those motor vehicles, continue in effect and are not  
15 changed by the tax on leases implemented by this amendatory  
16 Act of the 103rd General Assembly. Notwithstanding any law to  
17 the contrary, for any motor vehicle, as defined in Section  
18 1-146 of the Vehicle Code, that is sold on or after January 1,  
19 2015 for the purpose of leasing the vehicle for a defined  
20 period that is longer than one year and (1) is a motor vehicle  
21 of the second division that: (A) is a self-contained motor  
22 vehicle designed or permanently converted to provide living  
23 quarters for recreational, camping, or travel use, with direct  
24 walk through access to the living quarters from the driver's  
25 seat; (B) is of the van configuration designed for the  
26 transportation of not less than 7 nor more than 16 passengers;

1 or (C) has a gross vehicle weight rating of 8,000 pounds or  
2 less or (2) is a motor vehicle of the first division, "selling  
3 price" or "amount of sale" means the consideration received by  
4 the lessor pursuant to the lease contract, including amounts  
5 due at lease signing and all monthly or other regular payments  
6 charged over the term of the lease. Also included in the  
7 selling price is any amount received by the lessor from the  
8 lessee for the leased vehicle that is not calculated at the  
9 time the lease is executed, including, but not limited to,  
10 excess mileage charges and charges for excess wear and tear.  
11 For sales that occur in Illinois, with respect to any amount  
12 received by the lessor from the lessee for the leased vehicle  
13 that is not calculated at the time the lease is executed, the  
14 lessor who purchased the motor vehicle does not incur the tax  
15 imposed by the Use Tax Act on those amounts, and the retailer  
16 who makes the retail sale of the motor vehicle to the lessor is  
17 not required to collect the tax imposed by the Use Tax Act or  
18 to pay the tax imposed by this Act on those amounts. However,  
19 the lessor who purchased the motor vehicle assumes the  
20 liability for reporting and paying the tax on those amounts  
21 directly to the Department in the same form (Illinois  
22 Retailers' Occupation Tax, and local retailers' occupation  
23 taxes, if applicable) in which the retailer would have  
24 reported and paid such tax if the retailer had accounted for  
25 the tax to the Department. For amounts received by the lessor  
26 from the lessee that are not calculated at the time the lease

1 is executed, the lessor must file the return and pay the tax to  
2 the Department by the due date otherwise required by this Act  
3 for returns other than transaction returns. If the retailer is  
4 entitled under this Act to a discount for collecting and  
5 remitting the tax imposed under this Act to the Department  
6 with respect to the sale of the motor vehicle to the lessor,  
7 then the right to the discount provided in this Act shall be  
8 transferred to the lessor with respect to the tax paid by the  
9 lessor for any amount received by the lessor from the lessee  
10 for the leased vehicle that is not calculated at the time the  
11 lease is executed; provided that the discount is only allowed  
12 if the return is timely filed and for amounts timely paid. The  
13 "selling price" of a motor vehicle that is sold on or after  
14 January 1, 2015 for the purpose of leasing for a defined period  
15 of longer than one year shall not be reduced by the value of or  
16 credit given for traded-in tangible personal property owned by  
17 the lessor, nor shall it be reduced by the value of or credit  
18 given for traded-in tangible personal property owned by the  
19 lessee, regardless of whether the trade-in value thereof is  
20 assigned by the lessee to the lessor. In the case of a motor  
21 vehicle that is sold for the purpose of leasing for a defined  
22 period of longer than one year, the sale occurs at the time of  
23 the delivery of the vehicle, regardless of the due date of any  
24 lease payments. A lessor who incurs a Retailers' Occupation  
25 Tax liability on the sale of a motor vehicle coming off lease  
26 may not take a credit against that liability for the Use Tax

1 the lessor paid upon the purchase of the motor vehicle (or for  
2 any tax the lessor paid with respect to any amount received by  
3 the lessor from the lessee for the leased vehicle that was not  
4 calculated at the time the lease was executed) if the selling  
5 price of the motor vehicle at the time of purchase was  
6 calculated using the definition of "selling price" as defined  
7 in this paragraph. Notwithstanding any other provision of this  
8 Act to the contrary, lessors shall file all returns and make  
9 all payments required under this paragraph to the Department  
10 by electronic means in the manner and form as required by the  
11 Department. This paragraph does not apply to leases of motor  
12 vehicles for which, at the time the lease is entered into, the  
13 term of the lease is not a defined period, including leases  
14 with a defined initial period with the option to continue the  
15 lease on a month-to-month or other basis beyond the initial  
16 defined period.

17 The phrase "like kind and character" shall be liberally  
18 construed (including but not limited to any form of motor  
19 vehicle for any form of motor vehicle, or any kind of farm or  
20 agricultural implement for any other kind of farm or  
21 agricultural implement), while not including a kind of item  
22 which, if sold at retail by that retailer, would be exempt from  
23 retailers' occupation tax and use tax as an isolated or  
24 occasional sale.

25 "Gross receipts" from the sales of tangible personal  
26 property at retail means the total selling price or the amount

1 of such sales, as hereinbefore defined. In the case of charge  
2 and time sales, the amount thereof shall be included only as  
3 and when payments are received by the seller. In the case of  
4 leases, except as otherwise provided in this Act, the amount  
5 thereof shall be included only as and when gross receipts are  
6 received by the lessor. Receipts or other consideration  
7 derived by a seller from the sale, transfer or assignment of  
8 accounts receivable to a wholly owned subsidiary will not be  
9 deemed payments prior to the time the purchaser makes payment  
10 on such accounts.

11 "Department" means the Department of Revenue.

12 "Person" means any natural individual, firm, partnership,  
13 association, joint stock company, joint adventure, public or  
14 private corporation, limited liability company, or a receiver,  
15 executor, trustee, guardian or other representative appointed  
16 by order of any court.

17 The isolated or occasional sale of tangible personal  
18 property at retail by a person who does not hold himself out as  
19 being engaged (or who does not habitually engage) in selling  
20 such tangible personal property at retail, or a sale through a  
21 bulk vending machine, does not constitute engaging in a  
22 business of selling such tangible personal property at retail  
23 within the meaning of this Act; provided that any person who is  
24 engaged in a business which is not subject to the tax imposed  
25 by this Act because of involving the sale of or a contract to  
26 sell real estate or a construction contract to improve real

1 estate or a construction contract to engineer, install, and  
2 maintain an integrated system of products, but who, in the  
3 course of conducting such business, transfers tangible  
4 personal property to users or consumers in the finished form  
5 in which it was purchased, and which does not become real  
6 estate or was not engineered and installed, under any  
7 provision of a construction contract or real estate sale or  
8 real estate sales agreement entered into with some other  
9 person arising out of or because of such nontaxable business,  
10 is engaged in the business of selling tangible personal  
11 property at retail to the extent of the value of the tangible  
12 personal property so transferred. If, in such a transaction, a  
13 separate charge is made for the tangible personal property so  
14 transferred, the value of such property, for the purpose of  
15 this Act, shall be the amount so separately charged, but not  
16 less than the cost of such property to the transferor; if no  
17 separate charge is made, the value of such property, for the  
18 purposes of this Act, is the cost to the transferor of such  
19 tangible personal property. Construction contracts for the  
20 improvement of real estate consisting of engineering,  
21 installation, and maintenance of voice, data, video, security,  
22 and all telecommunication systems do not constitute engaging  
23 in a business of selling tangible personal property at retail  
24 within the meaning of this Act if they are sold at one  
25 specified contract price.

26 A person who holds himself or herself out as being engaged

1 (or who habitually engages) in selling tangible personal  
2 property at retail is a person engaged in the business of  
3 selling tangible personal property at retail hereunder with  
4 respect to such sales (and not primarily in a service  
5 occupation) notwithstanding the fact that such person designs  
6 and produces such tangible personal property on special order  
7 for the purchaser and in such a way as to render the property  
8 of value only to such purchaser, if such tangible personal  
9 property so produced on special order serves substantially the  
10 same function as stock or standard items of tangible personal  
11 property that are sold at retail.

12 Persons who engage in the business of transferring  
13 tangible personal property upon the redemption of trading  
14 stamps are engaged in the business of selling such property at  
15 retail and shall be liable for and shall pay the tax imposed by  
16 this Act on the basis of the retail value of the property  
17 transferred upon redemption of such stamps.

18 "Bulk vending machine" means a vending machine, containing  
19 unsorted confections, nuts, toys, or other items designed  
20 primarily to be used or played with by children which, when a  
21 coin or coins of a denomination not larger than \$0.50 are  
22 inserted, are dispensed in equal portions, at random and  
23 without selection by the customer.

24 "Remote retailer" means a retailer that does not maintain  
25 within this State, directly or by a subsidiary, an office,  
26 distribution house, sales house, warehouse or other place of

1 business, or any agent or other representative operating  
2 within this State under the authority of the retailer or its  
3 subsidiary, irrespective of whether such place of business or  
4 agent is located here permanently or temporarily or whether  
5 such retailer or subsidiary is licensed to do business in this  
6 State.

7 "Marketplace" means a physical or electronic place, forum,  
8 platform, application, or other method by which a marketplace  
9 seller sells or offers to sell items.

10 "Marketplace facilitator" means a person who, pursuant to  
11 an agreement with an unrelated third-party marketplace seller,  
12 directly or indirectly through one or more affiliates  
13 facilitates a retail sale by an unrelated third party  
14 marketplace seller by:

15 (1) listing or advertising for sale by the marketplace  
16 seller in a marketplace, tangible personal property that  
17 is subject to tax under this Act; and

18 (2) either directly or indirectly, through agreements  
19 or arrangements with third parties, collecting payment  
20 from the customer and transmitting that payment to the  
21 marketplace seller regardless of whether the marketplace  
22 facilitator receives compensation or other consideration  
23 in exchange for its services.

24 A person who provides advertising services, including  
25 listing products for sale, is not considered a marketplace  
26 facilitator, so long as the advertising service platform or



1 forum does not engage, directly or indirectly through one or  
2 more affiliated persons, in the activities described in  
3 paragraph (2) of this definition of "marketplace facilitator".

4 "Marketplace facilitator" does not include any person  
5 licensed under the Auction License Act. This exemption does  
6 not apply to any person who is an Internet auction listing  
7 service, as defined by the Auction License Act.

8 "Marketplace seller" means a person that makes sales  
9 through a marketplace operated by an unrelated third party  
10 marketplace facilitator.

11 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20;  
12 102-353, eff. 1-1-22; 102-634, eff. 8-27-21; 102-813, eff.  
13 5-13-22.)

14 (35 ILCS 120/1.05 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 persons  
19 engaged in the business of leasing at retail tangible personal  
20 property, other than motor vehicles, watercraft, aircraft, and  
21 semitrailers, as defined in Section 1-187 of the Illinois  
22 Vehicle Code, that are required to be registered with an  
23 agency of this State, leased at retail from a retailer, for  
24 leases in effect, entered into, or renewed on or after January  
25 1, 2025.

1 (35 ILCS 120/2) (from Ch. 120, par. 441)

2 Sec. 2. Tax imposed.

3 (a) A tax is imposed upon persons engaged in the business  
4 of selling at retail, which, on and after January 1, 2025,  
5 includes leasing, tangible personal property, including  
6 computer software, and including photographs, negatives, and  
7 positives that are the product of photoprocessing, but not  
8 including products of photoprocessing produced for use in  
9 motion pictures for public commercial exhibition. Beginning  
10 January 1, 2001, prepaid telephone calling arrangements shall  
11 be considered tangible personal property subject to the tax  
12 imposed under this Act regardless of the form in which those  
13 arrangements may be embodied, transmitted, or fixed by any  
14 method now known or hereafter developed.

15 The imposition of the tax under this Act on persons  
16 engaged in the business of leasing tangible personal property  
17 applies to leases in effect, entered into, or renewed on or  
18 after January 1, 2025. In the case of leases, except as  
19 otherwise provided in this Act, the lessor must remit, for  
20 each tax return period, only the tax applicable to that part of  
21 the selling price actually received during such tax return  
22 period.

23 The inclusion of leases in the tax imposed under this Act  
24 by this amendatory Act of the 103rd General Assembly does not,  
25 however, extend to motor vehicles, watercraft, aircraft, and

1 semitrailers, as defined in Section 1-187 of the Illinois  
2 Vehicle Code, that are required to be registered with an  
3 agency of this State. The taxation of these items shall  
4 continue in effect as prior to the effective date of the  
5 changes made to this Section by this amendatory Act of the  
6 103rd General Assembly (i.e., dealers owe retailers'  
7 occupation tax, lessors owe use tax, and lessees are not  
8 subject to retailers' occupation or use tax).

9 Sales of (1) electricity delivered to customers by wire;  
10 (2) natural or artificial gas that is delivered to customers  
11 through pipes, pipelines, or mains; and (3) water that is  
12 delivered to customers through pipes, pipelines, or mains are  
13 not subject to tax under this Act. The provisions of this  
14 amendatory Act of the 98th General Assembly are declaratory of  
15 existing law as to the meaning and scope of this Act.

16 (b) Beginning on January 1, 2021, a remote retailer is  
17 engaged in the occupation of selling at retail in Illinois for  
18 purposes of this Act, if:

19 (1) the cumulative gross receipts from sales of  
20 tangible personal property to purchasers in Illinois are  
21 \$100,000 or more; or

22 (2) the retailer enters into 200 or more separate  
23 transactions for the sale of tangible personal property to  
24 purchasers in Illinois.

25 Remote retailers that meet or exceed the threshold in  
26 either paragraph (1) or (2) above shall be liable for all

1 applicable State retailers' and locally imposed retailers'  
2 occupation taxes administered by the Department on all retail  
3 sales to Illinois purchasers.

4 The remote retailer shall determine on a quarterly basis,  
5 ending on the last day of March, June, September, and  
6 December, whether he or she meets the criteria of either  
7 paragraph (1) or (2) of this subsection for the preceding  
8 12-month period. If the retailer meets the criteria of either  
9 paragraph (1) or (2) for a 12-month period, he or she is  
10 considered a retailer maintaining a place of business in this  
11 State and is required to collect and remit the tax imposed  
12 under this Act and all retailers' occupation tax imposed by  
13 local taxing jurisdictions in Illinois, provided such local  
14 taxes are administered by the Department, and to file all  
15 applicable returns for one year. At the end of that one-year  
16 period, the retailer shall determine whether the retailer met  
17 the criteria of either paragraph (1) or (2) for the preceding  
18 12-month period. If the retailer met the criteria in either  
19 paragraph (1) or (2) for the preceding 12-month period, he or  
20 she is considered a retailer maintaining a place of business  
21 in this State and is required to collect and remit all  
22 applicable State and local retailers' occupation taxes and  
23 file returns for the subsequent year. If, at the end of a  
24 one-year period, a retailer that was required to collect and  
25 remit the tax imposed under this Act determines that he or she  
26 did not meet the criteria in either paragraph (1) or (2) during

1 the preceding 12-month period, then the retailer shall  
2 subsequently determine on a quarterly basis, ending on the  
3 last day of March, June, September, and December, whether he  
4 or she meets the criteria of either paragraph (1) or (2) for  
5 the preceding 12-month period.

6 (b-5) For the purposes of this Section, neither the gross  
7 receipts from nor the number of separate transactions for  
8 sales of tangible personal property to purchasers in Illinois  
9 that a remote retailer makes through a marketplace facilitator  
10 shall be included for the purposes of determining whether he  
11 or she has met the thresholds of subsection (b) of this Section  
12 so long as the remote retailer has received certification from  
13 the marketplace facilitator that the marketplace facilitator  
14 is legally responsible for payment of tax on such sales.

15 (b-10) A remote retailer required to collect taxes imposed  
16 under the Use Tax Act on retail sales made to Illinois  
17 purchasers shall be liable to the Department for such taxes,  
18 except when the remote retailer is relieved of the duty to  
19 remit such taxes by virtue of having paid to the Department  
20 taxes imposed by this Act in accordance with this Section upon  
21 his or her gross receipts from such sales.

22 (c) Marketplace facilitators engaged in the business of  
23 selling at retail tangible personal property in Illinois.  
24 Beginning January 1, 2021, a marketplace facilitator is  
25 engaged in the occupation of selling at retail tangible  
26 personal property in Illinois for purposes of this Act if,

1 during the previous 12-month period:

2 (1) the cumulative gross receipts from sales of  
3 tangible personal property on its own behalf or on behalf  
4 of marketplace sellers to purchasers in Illinois equals  
5 \$100,000 or more; or

6 (2) the marketplace facilitator enters into 200 or  
7 more separate transactions on its own behalf or on behalf  
8 of marketplace sellers for the sale of tangible personal  
9 property to purchasers in Illinois, regardless of whether  
10 the marketplace facilitator or marketplace sellers for  
11 whom such sales are facilitated are registered as  
12 retailers in this State.

13 A marketplace facilitator who meets either paragraph (1)  
14 or (2) of this subsection is required to remit the applicable  
15 State retailers' occupation taxes under this Act and local  
16 retailers' occupation taxes administered by the Department on  
17 all taxable sales of tangible personal property made by the  
18 marketplace facilitator or facilitated for marketplace sellers  
19 to customers in this State. A marketplace facilitator selling  
20 or facilitating the sale of tangible personal property to  
21 customers in this State is subject to all applicable  
22 procedures and requirements of this Act.

23 The marketplace facilitator shall determine on a quarterly  
24 basis, ending on the last day of March, June, September, and  
25 December, whether he or she meets the criteria of either  
26 paragraph (1) or (2) of this subsection for the preceding

1 12-month period. If the marketplace facilitator meets the  
2 criteria of either paragraph (1) or (2) for a 12-month period,  
3 he or she is considered a retailer maintaining a place of  
4 business in this State and is required to remit the tax imposed  
5 under this Act and all retailers' occupation tax imposed by  
6 local taxing jurisdictions in Illinois, provided such local  
7 taxes are administered by the Department, and to file all  
8 applicable returns for one year. At the end of that one-year  
9 period, the marketplace facilitator shall determine whether it  
10 met the criteria of either paragraph (1) or (2) for the  
11 preceding 12-month period. If the marketplace facilitator met  
12 the criteria in either paragraph (1) or (2) for the preceding  
13 12-month period, it is considered a retailer maintaining a  
14 place of business in this State and is required to collect and  
15 remit all applicable State and local retailers' occupation  
16 taxes and file returns for the subsequent year. If at the end  
17 of a one-year period a marketplace facilitator that was  
18 required to collect and remit the tax imposed under this Act  
19 determines that he or she did not meet the criteria in either  
20 paragraph (1) or (2) during the preceding 12-month period, the  
21 marketplace facilitator shall subsequently determine on a  
22 quarterly basis, ending on the last day of March, June,  
23 September, and December, whether he or she meets the criteria  
24 of either paragraph (1) or (2) for the preceding 12-month  
25 period.

26 A marketplace facilitator shall be entitled to any

1 credits, deductions, or adjustments to the sales price  
2 otherwise provided to the marketplace seller, in addition to  
3 any such adjustments provided directly to the marketplace  
4 facilitator. This Section pertains to, but is not limited to,  
5 adjustments such as discounts, coupons, and rebates. In  
6 addition, a marketplace facilitator shall be entitled to the  
7 retailers' discount provided in Section 3 of the Retailers'  
8 Occupation Tax Act on all marketplace sales, and the  
9 marketplace seller shall not include sales made through a  
10 marketplace facilitator when computing any retailers' discount  
11 on remaining sales. Marketplace facilitators shall report and  
12 remit the applicable State and local retailers' occupation  
13 taxes on sales facilitated for marketplace sellers separately  
14 from any sales or use tax collected on taxable retail sales  
15 made directly by the marketplace facilitator or its  
16 affiliates.

17 The marketplace facilitator is liable for the remittance  
18 of all applicable State retailers' occupation taxes under this  
19 Act and local retailers' occupation taxes administered by the  
20 Department on sales through the marketplace and is subject to  
21 audit on all such sales. The Department shall not audit  
22 marketplace sellers for their marketplace sales where a  
23 marketplace facilitator remitted the applicable State and  
24 local retailers' occupation taxes unless the marketplace  
25 facilitator seeks relief as a result of incorrect information  
26 provided to the marketplace facilitator by a marketplace



1 seller as set forth in this Section. The marketplace  
2 facilitator shall not be held liable for tax on any sales made  
3 by a marketplace seller that take place outside of the  
4 marketplace and which are not a part of any agreement between a  
5 marketplace facilitator and a marketplace seller. In addition,  
6 marketplace facilitators shall not be held liable to State and  
7 local governments of Illinois for having charged and remitted  
8 an incorrect amount of State and local retailers' occupation  
9 tax if, at the time of the sale, the tax is computed based on  
10 erroneous data provided by the State in database files on tax  
11 rates, boundaries, or taxing jurisdictions or incorrect  
12 information provided to the marketplace facilitator by the  
13 marketplace seller.

14 (d) A marketplace facilitator shall:

15 (1) certify to each marketplace seller that the  
16 marketplace facilitator assumes the rights and duties of a  
17 retailer under this Act with respect to sales made by the  
18 marketplace seller through the marketplace; and

19 (2) remit taxes imposed by this Act as required by  
20 this Act for sales made through the marketplace.

21 (e) A marketplace seller shall retain books and records  
22 for all sales made through a marketplace in accordance with  
23 the requirements of this Act.

24 (f) A marketplace facilitator is subject to audit on all  
25 marketplace sales for which it is considered to be the  
26 retailer, but shall not be liable for tax or subject to audit

1 on sales made by marketplace sellers outside of the  
2 marketplace.

3 (g) A marketplace facilitator required to collect taxes  
4 imposed under the Use Tax Act on marketplace sales made to  
5 Illinois purchasers shall be liable to the Department for such  
6 taxes, except when the marketplace facilitator is relieved of  
7 the duty to remit such taxes by virtue of having paid to the  
8 Department taxes imposed by this Act in accordance with this  
9 Section upon his or her gross receipts from such sales.

10 (h) Nothing in this Section shall allow the Department to  
11 collect retailers' occupation taxes from both the marketplace  
12 facilitator and marketplace seller on the same transaction.

13 (i) If, for any reason, the Department is prohibited from  
14 enforcing the marketplace facilitator's duty under this Act to  
15 remit taxes pursuant to this Section, the duty to remit such  
16 taxes remains with the marketplace seller.

17 (j) Nothing in this Section affects the obligation of any  
18 consumer to remit use tax for any taxable transaction for  
19 which a certified service provider acting on behalf of a  
20 remote retailer or a marketplace facilitator does not collect  
21 and remit the appropriate tax.

22 (k) Nothing in this Section shall allow the Department to  
23 collect the retailers' occupation tax from both the  
24 marketplace facilitator and the marketplace seller.

25 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20.)

1 (35 ILCS 120/2-5)

2 Sec. 2-5. Exemptions. Gross receipts from proceeds from  
3 the sale, which, on and after January 1, 2025, includes the  
4 lease, of the following tangible personal property are exempt  
5 from the tax imposed by this Act:

6 (1) Farm chemicals.

7 (2) Farm machinery and equipment, both new and used,  
8 including that manufactured on special order, certified by  
9 the purchaser to be used primarily for production  
10 agriculture or State or federal agricultural programs,  
11 including individual replacement parts for the machinery  
12 and equipment, including machinery and equipment purchased  
13 for lease, and including implements of husbandry defined  
14 in Section 1-130 of the Illinois Vehicle Code, farm  
15 machinery and agricultural chemical and fertilizer  
16 spreaders, and nurse wagons required to be registered  
17 under Section 3-809 of the Illinois Vehicle Code, but  
18 excluding other motor vehicles required to be registered  
19 under the Illinois Vehicle Code. Horticultural polyhouses  
20 or hoop houses used for propagating, growing, or  
21 overwintering plants shall be considered farm machinery  
22 and equipment under this item (2). Agricultural chemical  
23 tender tanks and dry boxes shall include units sold  
24 separately from a motor vehicle required to be licensed  
25 and units sold mounted on a motor vehicle required to be  
26 licensed, if the selling price of the tender is separately

1 stated.

2 Farm machinery and equipment shall include precision  
3 farming equipment that is installed or purchased to be  
4 installed on farm machinery and equipment including, but  
5 not limited to, tractors, harvesters, sprayers, planters,  
6 seeders, or spreaders. Precision farming equipment  
7 includes, but is not limited to, soil testing sensors,  
8 computers, monitors, software, global positioning and  
9 mapping systems, and other such equipment.

10 Farm machinery and equipment also includes computers,  
11 sensors, software, and related equipment used primarily in  
12 the computer-assisted operation of production agriculture  
13 facilities, equipment, and activities such as, but not  
14 limited to, the collection, monitoring, and correlation of  
15 animal and crop data for the purpose of formulating animal  
16 diets and agricultural chemicals.

17 Beginning on January 1, 2024, farm machinery and  
18 equipment also includes electrical power generation  
19 equipment used primarily for production agriculture.

20 This item (2) is exempt from the provisions of Section  
21 2-70.

22 (3) Until July 1, 2003, distillation machinery and  
23 equipment, sold as a unit or kit, assembled or installed  
24 by the retailer, certified by the user to be used only for  
25 the production of ethyl alcohol that will be used for  
26 consumption as motor fuel or as a component of motor fuel

1 for the personal use of the user, and not subject to sale  
2 or resale.

3 (4) Until July 1, 2003 and beginning again September  
4 1, 2004 through August 30, 2014, graphic arts machinery  
5 and equipment, including repair and replacement parts,  
6 both new and used, and including that manufactured on  
7 special order or purchased for lease, certified by the  
8 purchaser to be used primarily for graphic arts  
9 production. 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  
12 upon a graphic arts product. Beginning on July 1, 2017,  
13 graphic arts machinery and equipment is included in the  
14 manufacturing and assembling machinery and equipment  
15 exemption under paragraph (14).

16 (5) A motor vehicle that is used for automobile  
17 renting, as defined in the Automobile Renting Occupation  
18 and Use Tax Act. This paragraph is exempt from the  
19 provisions of Section 2-70.

20 (6) Personal property sold by a teacher-sponsored  
21 student organization affiliated with an elementary or  
22 secondary school located in Illinois.

23 (7) Until July 1, 2003, proceeds of that portion of  
24 the selling price of a passenger car the sale of which is  
25 subject to the Replacement Vehicle Tax.

26 (8) Personal property sold to an Illinois county fair

1 association for use in conducting, operating, or promoting  
2 the county fair.

3 (9) Personal property sold to a not-for-profit arts or  
4 cultural organization that establishes, by proof required  
5 by the Department by rule, that it has received an  
6 exemption under Section 501(c)(3) of the Internal Revenue  
7 Code and that is organized and operated primarily for the  
8 presentation or support of arts or cultural programming,  
9 activities, or services. These organizations include, but  
10 are not limited to, music and dramatic arts organizations  
11 such as symphony orchestras and theatrical groups, arts  
12 and cultural service organizations, local arts councils,  
13 visual arts organizations, and media arts organizations.  
14 On and after July 1, 2001 (the effective date of Public Act  
15 92-35), however, an entity otherwise eligible for this  
16 exemption shall not make tax-free purchases unless it has  
17 an active identification number issued by the Department.

18 (10) Personal property sold by a corporation, society,  
19 association, foundation, institution, or organization,  
20 other than a limited liability company, that is organized  
21 and operated as a not-for-profit service enterprise for  
22 the benefit of persons 65 years of age or older if the  
23 personal property was not purchased by the enterprise for  
24 the purpose of resale by the enterprise.

25 (11) Except as otherwise provided in this Section,  
26 personal property sold to a governmental body, to a

1 corporation, society, association, foundation, or  
2 institution organized and operated exclusively for  
3 charitable, religious, or educational purposes, or to a  
4 not-for-profit corporation, society, association,  
5 foundation, institution, or organization that has no  
6 compensated officers or employees and that is organized  
7 and operated primarily for the recreation of persons 55  
8 years of age or older. A limited liability company may  
9 qualify for the exemption under this paragraph only if the  
10 limited liability company is organized and operated  
11 exclusively for educational purposes. On and after July 1,  
12 1987, however, no entity otherwise eligible for this  
13 exemption shall make tax-free purchases unless it has an  
14 active identification number issued by the Department.

15 (12) (Blank).

16 (12-5) On and after July 1, 2003 and through June 30,  
17 2004, motor vehicles of the second division with a gross  
18 vehicle weight in excess of 8,000 pounds that are subject  
19 to the commercial distribution fee imposed under Section  
20 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
21 2004 and through June 30, 2005, the use in this State of  
22 motor vehicles of the second division: (i) with a gross  
23 vehicle weight rating in excess of 8,000 pounds; (ii) that  
24 are subject to the commercial distribution fee imposed  
25 under Section 3-815.1 of the Illinois Vehicle Code; and  
26 (iii) that are primarily used for commercial purposes.

1 Through June 30, 2005, this exemption applies to repair  
2 and replacement parts added after the initial purchase of  
3 such a motor vehicle if that motor vehicle is used in a  
4 manner that would qualify for the rolling stock exemption  
5 otherwise provided for in this Act. For purposes of this  
6 paragraph, "used for commercial purposes" means the  
7 transportation of persons or property in furtherance of  
8 any commercial or industrial enterprise whether for-hire  
9 or not.

10 (13) Proceeds from sales to owners or lessors,  
11 lessees, or shippers of tangible personal property that is  
12 utilized by interstate carriers for hire for use as  
13 rolling stock moving in interstate commerce and equipment  
14 operated by a telecommunications provider, licensed as a  
15 common carrier by the Federal Communications Commission,  
16 which is permanently installed in or affixed to aircraft  
17 moving in interstate commerce.

18 (14) Machinery and equipment that will be used by the  
19 purchaser, or a lessee of the purchaser, primarily in the  
20 process of manufacturing or assembling tangible personal  
21 property for wholesale or retail sale or lease, whether  
22 the sale or lease is made directly by the manufacturer or  
23 by some other person, whether the materials used in the  
24 process are owned by the manufacturer or some other  
25 person, or whether the sale or lease is made apart from or  
26 as an incident to the seller's engaging in the service



1 occupation of producing machines, tools, dies, jigs,  
2 patterns, gauges, or other similar items of no commercial  
3 value on special order for a particular purchaser. The  
4 exemption provided by this paragraph (14) does not include  
5 machinery and equipment used in (i) the generation of  
6 electricity for wholesale or retail sale; (ii) the  
7 generation or treatment of natural or artificial gas for  
8 wholesale or retail sale that is delivered to customers  
9 through pipes, pipelines, or mains; or (iii) the treatment  
10 of water for wholesale or retail sale that is delivered to  
11 customers through pipes, pipelines, or mains. The  
12 provisions of Public Act 98-583 are declaratory of  
13 existing law as to the meaning and scope of this  
14 exemption. Beginning on July 1, 2017, the exemption  
15 provided by this paragraph (14) includes, but is not  
16 limited to, graphic arts machinery and equipment, as  
17 defined in paragraph (4) of this Section.

18 (15) Proceeds of mandatory service charges separately  
19 stated on customers' bills for purchase and consumption of  
20 food and beverages, to the extent that the proceeds of the  
21 service charge are in fact turned over as tips or as a  
22 substitute for tips to the employees who participate  
23 directly in preparing, serving, hosting or cleaning up the  
24 food or beverage function with respect to which the  
25 service charge is imposed.

26 (16) Tangible personal property sold to a purchaser if

1 the purchaser is exempt from use tax by operation of  
2 federal law. This paragraph is exempt from the provisions  
3 of Section 2-70.

4 (17) Tangible personal property sold to a common  
5 carrier by rail or motor that receives the physical  
6 possession of the property in Illinois and that transports  
7 the property, or shares with another common carrier in the  
8 transportation of the property, out of Illinois on a  
9 standard uniform bill of lading showing the seller of the  
10 property as the shipper or consignor of the property to a  
11 destination outside Illinois, for use outside Illinois.

12 (18) Legal tender, currency, medallions, or gold or  
13 silver coinage issued by the State of Illinois, the  
14 government of the United States of America, or the  
15 government of any foreign country, and bullion.

16 (19) Until July 1, 2003, oil field exploration,  
17 drilling, and production equipment, including (i) rigs and  
18 parts of rigs, rotary rigs, cable tool rigs, and workover  
19 rigs, (ii) pipe and tubular goods, including casing and  
20 drill strings, (iii) pumps and pump-jack units, (iv)  
21 storage tanks and flow lines, (v) any individual  
22 replacement part for oil field exploration, drilling, and  
23 production equipment, and (vi) machinery and equipment  
24 purchased for lease; but excluding motor vehicles required  
25 to be registered under the Illinois Vehicle Code.

26 (20) Photoprocessing machinery and equipment,

1 including repair and replacement parts, both new and used,  
2 including that manufactured on special order, certified by  
3 the purchaser to be used primarily for photoprocessing,  
4 and including photoprocessing machinery and equipment  
5 purchased for lease.

6 (21) Until July 1, 2028, coal and aggregate  
7 exploration, mining, off-highway hauling, processing,  
8 maintenance, and reclamation equipment, including  
9 replacement parts and equipment, and including equipment  
10 purchased for lease, but excluding motor vehicles required  
11 to be registered under the Illinois Vehicle Code. The  
12 changes made to this Section by Public Act 97-767 apply on  
13 and after July 1, 2003, but no claim for credit or refund  
14 is allowed on or after August 16, 2013 (the effective date  
15 of Public Act 98-456) for such taxes paid during the  
16 period beginning July 1, 2003 and ending on August 16,  
17 2013 (the effective date of Public Act 98-456).

18 (22) Until June 30, 2013, fuel and petroleum products  
19 sold to or used by an air carrier, certified by the carrier  
20 to be used for consumption, shipment, or storage in the  
21 conduct of its business as an air common carrier, for a  
22 flight destined for or returning from a location or  
23 locations outside the United States without regard to  
24 previous or subsequent domestic stopovers.

25 Beginning July 1, 2013, fuel and petroleum products  
26 sold to or used by an air carrier, certified by the carrier

1 to be used for consumption, shipment, or storage in the  
2 conduct of its business as an air common carrier, for a  
3 flight that (i) is engaged in foreign trade or is engaged  
4 in trade between the United States and any of its  
5 possessions and (ii) transports at least one individual or  
6 package for hire from the city of origination to the city  
7 of final destination on the same aircraft, without regard  
8 to a change in the flight number of that aircraft.

9 (23) A transaction in which the purchase order is  
10 received by a florist who is located outside Illinois, but  
11 who has a florist located in Illinois deliver the property  
12 to the purchaser or the purchaser's donee in Illinois.

13 (24) Fuel consumed or used in the operation of ships,  
14 barges, or vessels that are used primarily in or for the  
15 transportation of property or the conveyance of persons  
16 for hire on rivers bordering on this State if the fuel is  
17 delivered by the seller to the purchaser's barge, ship, or  
18 vessel while it is afloat upon that bordering river.

19 (25) Except as provided in item (25-5) of this  
20 Section, a motor vehicle sold in this State to a  
21 nonresident even though the motor vehicle is delivered to  
22 the nonresident in this State, if the motor vehicle is not  
23 to be titled in this State, and if a drive-away permit is  
24 issued to the motor vehicle as provided in Section 3-603  
25 of the Illinois Vehicle Code or if the nonresident  
26 purchaser has vehicle registration plates to transfer to

1 the motor vehicle upon returning to his or her home state.  
2 The issuance of the drive-away permit or having the  
3 out-of-state registration plates to be transferred is  
4 prima facie evidence that the motor vehicle will not be  
5 titled in this State.

6 (25-5) The exemption under item (25) does not apply if  
7 the state in which the motor vehicle will be titled does  
8 not allow a reciprocal exemption for a motor vehicle sold  
9 and delivered in that state to an Illinois resident but  
10 titled in Illinois. The tax collected under this Act on  
11 the sale of a motor vehicle in this State to a resident of  
12 another state that does not allow a reciprocal exemption  
13 shall be imposed at a rate equal to the state's rate of tax  
14 on taxable property in the state in which the purchaser is  
15 a resident, except that the tax shall not exceed the tax  
16 that would otherwise be imposed under this Act. At the  
17 time of the sale, the purchaser shall execute a statement,  
18 signed under penalty of perjury, of his or her intent to  
19 title the vehicle in the state in which the purchaser is a  
20 resident within 30 days after the sale and of the fact of  
21 the payment to the State of Illinois of tax in an amount  
22 equivalent to the state's rate of tax on taxable property  
23 in his or her state of residence and shall submit the  
24 statement to the appropriate tax collection agency in his  
25 or her state of residence. In addition, the retailer must  
26 retain a signed copy of the statement in his or her

1 records. Nothing in this item shall be construed to  
2 require the removal of the vehicle from this state  
3 following the filing of an intent to title the vehicle in  
4 the purchaser's state of residence if the purchaser titles  
5 the vehicle in his or her state of residence within 30 days  
6 after the date of sale. The tax collected under this Act in  
7 accordance with this item (25-5) shall be proportionately  
8 distributed as if the tax were collected at the 6.25%  
9 general rate imposed under this Act.

10 (25-7) Beginning on July 1, 2007, no tax is imposed  
11 under this Act on the sale of an aircraft, as defined in  
12 Section 3 of the Illinois Aeronautics Act, if all of the  
13 following conditions are met:

14 (1) the aircraft leaves this State within 15 days  
15 after the later of either the issuance of the final  
16 billing for the sale of the aircraft, or the  
17 authorized approval for return to service, completion  
18 of the maintenance record entry, and completion of the  
19 test flight and ground test for inspection, as  
20 required by 14 CFR 91.407;

21 (2) the aircraft is not based or registered in  
22 this State after the sale of the aircraft; and

23 (3) the seller retains in his or her books and  
24 records and provides to the Department a signed and  
25 dated certification from the purchaser, on a form  
26 prescribed by the Department, certifying that the

1 requirements of this item (25-7) are met. The  
2 certificate must also include the name and address of  
3 the purchaser, the address of the location where the  
4 aircraft is to be titled or registered, the address of  
5 the primary physical location of the aircraft, and  
6 other information that the Department may reasonably  
7 require.

8 For purposes of this item (25-7):

9 "Based in this State" means hangared, stored, or  
10 otherwise used, excluding post-sale customizations as  
11 defined in this Section, for 10 or more days in each  
12 12-month period immediately following the date of the sale  
13 of the aircraft.

14 "Registered in this State" means an aircraft  
15 registered with the Department of Transportation,  
16 Aeronautics Division, or titled or registered with the  
17 Federal Aviation Administration to an address located in  
18 this State.

19 This paragraph (25-7) is exempt from the provisions of  
20 Section 2-70.

21 (26) Semen used for artificial insemination of  
22 livestock for direct agricultural production.

23 (27) Horses, or interests in horses, registered with  
24 and meeting the requirements of any of the Arabian Horse  
25 Club Registry of America, Appaloosa Horse Club, American  
26 Quarter Horse Association, United States Trotting

1 Association, or Jockey Club, as appropriate, used for  
2 purposes of breeding or racing for prizes. This item (27)  
3 is exempt from the provisions of Section 2-70, and the  
4 exemption provided for under this item (27) applies for  
5 all periods beginning May 30, 1995, but no claim for  
6 credit or refund is allowed on or after January 1, 2008  
7 (the effective date of Public Act 95-88) for such taxes  
8 paid during the period beginning May 30, 2000 and ending  
9 on January 1, 2008 (the effective date of Public Act  
10 95-88).

11 (28) Computers and communications equipment utilized  
12 for any hospital purpose and equipment used in the  
13 diagnosis, analysis, or treatment of hospital patients  
14 sold to a lessor who leases the equipment, under a lease of  
15 one year or longer executed or in effect at the time of the  
16 purchase, to a hospital that has been issued an active tax  
17 exemption identification number by the Department under  
18 Section 1g of this Act.

19 (29) Personal property sold to a lessor who leases the  
20 property, under a lease of one year or longer executed or  
21 in effect at the time of the purchase, to a governmental  
22 body that has been issued an active tax exemption  
23 identification number by the Department under Section 1g  
24 of this Act.

25 (30) Beginning with taxable years ending on or after  
26 December 31, 1995 and ending with taxable years ending on



1 or before December 31, 2004, personal property that is  
2 donated for disaster relief to be used in a State or  
3 federally declared disaster area in Illinois or bordering  
4 Illinois by a manufacturer or retailer that is registered  
5 in this State to a corporation, society, association,  
6 foundation, or institution that has been issued a sales  
7 tax exemption identification number by the Department that  
8 assists victims of the disaster who reside within the  
9 declared disaster area.

10 (31) Beginning with taxable years ending on or after  
11 December 31, 1995 and ending with taxable years ending on  
12 or before December 31, 2004, personal property that is  
13 used in the performance of infrastructure repairs in this  
14 State, including, but not limited to, municipal roads and  
15 streets, access roads, bridges, sidewalks, waste disposal  
16 systems, water and sewer line extensions, water  
17 distribution and purification facilities, storm water  
18 drainage and retention facilities, and sewage treatment  
19 facilities, resulting from a State or federally declared  
20 disaster in Illinois or bordering Illinois when such  
21 repairs are initiated on facilities located in the  
22 declared disaster area within 6 months after the disaster.

23 (32) Beginning July 1, 1999, game or game birds sold  
24 at a "game breeding and hunting preserve area" as that  
25 term is used in the Wildlife Code. This paragraph is  
26 exempt from the provisions of Section 2-70.

1           (33) A motor vehicle, as that term is defined in  
2 Section 1-146 of the Illinois Vehicle Code, that is  
3 donated to a corporation, limited liability company,  
4 society, association, foundation, or institution that is  
5 determined by the Department to be organized and operated  
6 exclusively for educational purposes. For purposes of this  
7 exemption, "a corporation, limited liability company,  
8 society, association, foundation, or institution organized  
9 and operated exclusively for educational purposes" means  
10 all tax-supported public schools, private schools that  
11 offer systematic instruction in useful branches of  
12 learning by methods common to public schools and that  
13 compare favorably in their scope and intensity with the  
14 course of study presented in tax-supported schools, and  
15 vocational or technical schools or institutes organized  
16 and operated exclusively to provide a course of study of  
17 not less than 6 weeks duration and designed to prepare  
18 individuals to follow a trade or to pursue a manual,  
19 technical, mechanical, industrial, business, or commercial  
20 occupation.

21           (34) Beginning January 1, 2000, personal property,  
22 including food, purchased through fundraising events for  
23 the benefit of a public or private elementary or secondary  
24 school, a group of those schools, or one or more school  
25 districts if the events are sponsored by an entity  
26 recognized by the school district that consists primarily

1 of volunteers and includes parents and teachers of the  
2 school children. This paragraph does not apply to  
3 fundraising events (i) for the benefit of private home  
4 instruction or (ii) for which the fundraising entity  
5 purchases the personal property sold at the events from  
6 another individual or entity that sold the property for  
7 the purpose of resale by the fundraising entity and that  
8 profits from the sale to the fundraising entity. This  
9 paragraph is exempt from the provisions of Section 2-70.

10 (35) Beginning January 1, 2000 and through December  
11 31, 2001, new or used automatic vending machines that  
12 prepare and serve hot food and beverages, including  
13 coffee, soup, and other items, and replacement parts for  
14 these machines. Beginning January 1, 2002 and through June  
15 30, 2003, machines and parts for machines used in  
16 commercial, coin-operated amusement and vending business  
17 if a use or occupation tax is paid on the gross receipts  
18 derived from the use of the commercial, coin-operated  
19 amusement and vending machines. This paragraph is exempt  
20 from the provisions of Section 2-70.

21 (35-5) Beginning August 23, 2001 and through June 30,  
22 2016, food for human consumption that is to be consumed  
23 off the premises where it is sold (other than alcoholic  
24 beverages, soft drinks, and food that has been prepared  
25 for immediate consumption) and prescription and  
26 nonprescription medicines, drugs, medical appliances, and

1 insulin, urine testing materials, syringes, and needles  
2 used by diabetics, for human use, when purchased for use  
3 by a person receiving medical assistance under Article V  
4 of the Illinois Public Aid Code who resides in a licensed  
5 long-term care facility, as defined in the Nursing Home  
6 Care Act, or a licensed facility as defined in the ID/DD  
7 Community Care Act, the MC/DD Act, or the Specialized  
8 Mental Health Rehabilitation Act of 2013.

9 (36) Beginning August 2, 2001, computers and  
10 communications equipment utilized for any hospital purpose  
11 and equipment used in the diagnosis, analysis, or  
12 treatment of hospital patients sold to a lessor who leases  
13 the equipment, under a lease of one year or longer  
14 executed or in effect at the time of the purchase, to a  
15 hospital that has been issued an active tax exemption  
16 identification number by the Department under Section 1g  
17 of this Act. This paragraph is exempt from the provisions  
18 of Section 2-70.

19 (37) Beginning August 2, 2001, personal property sold  
20 to a lessor who leases the property, under a lease of one  
21 year or longer executed or in effect at the time of the  
22 purchase, to a governmental body that has been issued an  
23 active tax exemption identification number by the  
24 Department under Section 1g of this Act. This paragraph is  
25 exempt from the provisions of Section 2-70.

26 (38) Beginning on January 1, 2002 and through June 30,

1           2016, tangible personal property purchased from an  
2           Illinois retailer by a taxpayer engaged in centralized  
3           purchasing activities in Illinois who will, upon receipt  
4           of the property in Illinois, temporarily store the  
5           property in Illinois (i) for the purpose of subsequently  
6           transporting it outside this State for use or consumption  
7           thereafter solely outside this State or (ii) for the  
8           purpose of being processed, fabricated, or manufactured  
9           into, attached to, or incorporated into other tangible  
10          personal property to be transported outside this State and  
11          thereafter used or consumed solely outside this State. The  
12          Director of Revenue shall, pursuant to rules adopted in  
13          accordance with the Illinois Administrative Procedure Act,  
14          issue a permit to any taxpayer in good standing with the  
15          Department who is eligible for the exemption under this  
16          paragraph (38). The permit issued under this paragraph  
17          (38) shall authorize the holder, to the extent and in the  
18          manner specified in the rules adopted under this Act, to  
19          purchase tangible personal property from a retailer exempt  
20          from the taxes imposed by this Act. Taxpayers shall  
21          maintain all necessary books and records to substantiate  
22          the use and consumption of all such tangible personal  
23          property outside of the State of Illinois.

24               (39) Beginning January 1, 2008, tangible personal  
25          property used in the construction or maintenance of a  
26          community water supply, as defined under Section 3.145 of

1 the Environmental Protection Act, that is operated by a  
2 not-for-profit corporation that holds a valid water supply  
3 permit issued under Title IV of the Environmental  
4 Protection Act. This paragraph is exempt from the  
5 provisions of Section 2-70.

6 (40) Beginning January 1, 2010 and continuing through  
7 December 31, 2029, materials, parts, equipment,  
8 components, and furnishings incorporated into or upon an  
9 aircraft as part of the modification, refurbishment,  
10 completion, replacement, repair, or maintenance of the  
11 aircraft. This exemption includes consumable supplies used  
12 in the modification, refurbishment, completion,  
13 replacement, repair, and maintenance of aircraft. However,  
14 until January 1, 2024, this exemption excludes any  
15 materials, parts, equipment, components, and consumable  
16 supplies used in the modification, replacement, repair,  
17 and maintenance of aircraft engines or power plants,  
18 whether such engines or power plants are installed or  
19 uninstalled upon any such aircraft. "Consumable supplies"  
20 include, but are not limited to, adhesive, tape,  
21 sandpaper, general purpose lubricants, cleaning solution,  
22 latex gloves, and protective films.

23 Beginning January 1, 2010 and continuing through  
24 December 31, 2023, this exemption applies only to the sale  
25 of qualifying tangible personal property to persons who  
26 modify, refurbish, complete, replace, or maintain an

1 aircraft and who (i) hold an Air Agency Certificate and  
2 are empowered to operate an approved repair station by the  
3 Federal Aviation Administration, (ii) have a Class IV  
4 Rating, and (iii) conduct operations in accordance with  
5 Part 145 of the Federal Aviation Regulations. The  
6 exemption does not include aircraft operated by a  
7 commercial air carrier providing scheduled passenger air  
8 service pursuant to authority issued under Part 121 or  
9 Part 129 of the Federal Aviation Regulations. From January  
10 1, 2024 through December 31, 2029, this exemption applies  
11 only to the use of qualifying tangible personal property  
12 by: (A) persons who modify, refurbish, complete, repair,  
13 replace, or maintain aircraft and who (i) hold an Air  
14 Agency Certificate and are empowered to operate an  
15 approved repair station by the Federal Aviation  
16 Administration, (ii) have a Class IV Rating, and (iii)  
17 conduct operations in accordance with Part 145 of the  
18 Federal Aviation Regulations; and (B) persons who engage  
19 in the modification, replacement, repair, and maintenance  
20 of aircraft engines or power plants without regard to  
21 whether or not those persons meet the qualifications of  
22 item (A).

23 The changes made to this paragraph (40) by Public Act  
24 98-534 are declarative of existing law. It is the intent  
25 of the General Assembly that the exemption under this  
26 paragraph (40) applies continuously from January 1, 2010

1 through December 31, 2024; however, no claim for credit or  
2 refund is allowed for taxes paid as a result of the  
3 disallowance of this exemption on or after January 1, 2015  
4 and prior to February 5, 2020 (the effective date of  
5 Public Act 101-629).

6 (41) Tangible personal property sold to a  
7 public-facilities corporation, as described in Section  
8 11-65-10 of the Illinois Municipal Code, for purposes of  
9 constructing or furnishing a municipal convention hall,  
10 but only if the legal title to the municipal convention  
11 hall is transferred to the municipality without any  
12 further consideration by or on behalf of the municipality  
13 at the time of the completion of the municipal convention  
14 hall or upon the retirement or redemption of any bonds or  
15 other debt instruments issued by the public-facilities  
16 corporation in connection with the development of the  
17 municipal convention hall. This exemption includes  
18 existing public-facilities corporations as provided in  
19 Section 11-65-25 of the Illinois Municipal Code. This  
20 paragraph is exempt from the provisions of Section 2-70.

21 (42) Beginning January 1, 2017 and through December  
22 31, 2026, menstrual pads, tampons, and menstrual cups.

23 (43) Merchandise that is subject to the Rental  
24 Purchase Agreement Occupation and Use Tax. The purchaser  
25 must certify that the item is purchased to be rented  
26 subject to a rental-purchase ~~rental-purchase~~ agreement, as



1 defined in the Rental-Purchase ~~Rental Purchase~~ Agreement  
2 Act, and provide proof of registration under the Rental  
3 Purchase Agreement Occupation and Use Tax Act. This  
4 paragraph is exempt from the provisions of Section 2-70.

5 (44) Qualified tangible personal property used in the  
6 construction or operation of a data center that has been  
7 granted a certificate of exemption by the Department of  
8 Commerce and Economic Opportunity, whether that tangible  
9 personal property is purchased by the owner, operator, or  
10 tenant of the data center or by a contractor or  
11 subcontractor of the owner, operator, or tenant. Data  
12 centers that would have qualified for a certificate of  
13 exemption prior to January 1, 2020 had Public Act 101-31  
14 been in effect, may apply for and obtain an exemption for  
15 subsequent purchases of computer equipment or enabling  
16 software purchased or leased to upgrade, supplement, or  
17 replace computer equipment or enabling software purchased  
18 or leased in the original investment that would have  
19 qualified.

20 The Department of Commerce and Economic Opportunity  
21 shall grant a certificate of exemption under this item  
22 (44) to qualified data centers as defined by Section  
23 605-1025 of the Department of Commerce and Economic  
24 Opportunity Law of the Civil Administrative Code of  
25 Illinois.

26 For the purposes of this item (44):

1           "Data center" means a building or a series of  
2 buildings rehabilitated or constructed to house  
3 working servers in one physical location or multiple  
4 sites within the State of Illinois.

5           "Qualified tangible personal property" means:  
6 electrical systems and equipment; climate control and  
7 chilling equipment and systems; mechanical systems and  
8 equipment; monitoring and secure systems; emergency  
9 generators; hardware; computers; servers; data storage  
10 devices; network connectivity equipment; racks;  
11 cabinets; telecommunications cabling infrastructure;  
12 raised floor systems; peripheral components or  
13 systems; software; mechanical, electrical, or plumbing  
14 systems; battery systems; cooling systems and towers;  
15 temperature control systems; other cabling; and other  
16 data center infrastructure equipment and systems  
17 necessary to operate qualified tangible personal  
18 property, including fixtures; and component parts of  
19 any of the foregoing, including installation,  
20 maintenance, repair, refurbishment, and replacement of  
21 qualified tangible personal property to generate,  
22 transform, transmit, distribute, or manage electricity  
23 necessary to operate qualified tangible personal  
24 property; and all other tangible personal property  
25 that is essential to the operations of a computer data  
26 center. The term "qualified tangible personal

1           property" also includes building materials physically  
2           incorporated into the qualifying data center. To  
3           document the exemption allowed under this Section, the  
4           retailer must obtain from the purchaser a copy of the  
5           certificate of eligibility issued by the Department of  
6           Commerce and Economic Opportunity.

7           This item (44) is exempt from the provisions of  
8           Section 2-70.

9           (45) Beginning January 1, 2020 and through December  
10          31, 2020, sales of tangible personal property made by a  
11          marketplace seller over a marketplace for which tax is due  
12          under this Act but for which use tax has been collected and  
13          remitted to the Department by a marketplace facilitator  
14          under Section 2d of the Use Tax Act are exempt from tax  
15          under this Act. A marketplace seller claiming this  
16          exemption shall maintain books and records demonstrating  
17          that the use tax on such sales has been collected and  
18          remitted by a marketplace facilitator. Marketplace sellers  
19          that have properly remitted tax under this Act on such  
20          sales may file a claim for credit as provided in Section 6  
21          of this Act. No claim is allowed, however, for such taxes  
22          for which a credit or refund has been issued to the  
23          marketplace facilitator under the Use Tax Act, or for  
24          which the marketplace facilitator has filed a claim for  
25          credit or refund under the Use Tax Act.

26          (46) Beginning July 1, 2022, breast pumps, breast pump

1 collection and storage supplies, and breast pump kits.  
2 This item (46) is exempt from the provisions of Section  
3 2-70. As used in this item (46):

4 "Breast pump" means an electrically controlled or  
5 manually controlled pump device designed or marketed to be  
6 used to express milk from a human breast during lactation,  
7 including the pump device and any battery, AC adapter, or  
8 other power supply unit that is used to power the pump  
9 device and is packaged and sold with the pump device at the  
10 time of sale.

11 "Breast pump collection and storage supplies" means  
12 items of tangible personal property designed or marketed  
13 to be used in conjunction with a breast pump to collect  
14 milk expressed from a human breast and to store collected  
15 milk until it is ready for consumption.

16 "Breast pump collection and storage supplies"  
17 includes, but is not limited to: breast shields and breast  
18 shield connectors; breast pump tubes and tubing adapters;  
19 breast pump valves and membranes; backflow protectors and  
20 backflow protector adaptors; bottles and bottle caps  
21 specific to the operation of the breast pump; and breast  
22 milk storage bags.

23 "Breast pump collection and storage supplies" does not  
24 include: (1) bottles and bottle caps not specific to the  
25 operation of the breast pump; (2) breast pump travel bags  
26 and other similar carrying accessories, including ice

1 packs, labels, and other similar products; (3) breast pump  
2 cleaning supplies; (4) nursing bras, bra pads, breast  
3 shells, and other similar products; and (5) creams,  
4 ointments, and other similar products that relieve  
5 breastfeeding-related symptoms or conditions of the  
6 breasts or nipples, unless sold as part of a breast pump  
7 kit that is pre-packaged by the breast pump manufacturer  
8 or distributor.

9 "Breast pump kit" means a kit that: (1) contains no  
10 more than a breast pump, breast pump collection and  
11 storage supplies, a rechargeable battery for operating the  
12 breast pump, a breastmilk cooler, bottle stands, ice  
13 packs, and a breast pump carrying case; and (2) is  
14 pre-packaged as a breast pump kit by the breast pump  
15 manufacturer or distributor.

16 (47) Tangible personal property sold by or on behalf  
17 of the State Treasurer pursuant to the Revised Uniform  
18 Unclaimed Property Act. This item (47) is exempt from the  
19 provisions of Section 2-70.

20 (48) Beginning on January 1, 2024, tangible personal  
21 property purchased by an active duty member of the armed  
22 forces of the United States who presents valid military  
23 identification and purchases the property using a form of  
24 payment where the federal government is the payor. The  
25 member of the armed forces must complete, at the point of  
26 sale, a form prescribed by the Department of Revenue

1       documenting that the transaction is eligible for the  
2       exemption under this paragraph. Retailers must keep the  
3       form as documentation of the exemption in their records  
4       for a period of not less than 6 years. "Armed forces of the  
5       United States" means the United States Army, Navy, Air  
6       Force, Marine Corps, or Coast Guard. This paragraph is  
7       exempt from the provisions of Section 2-70.

8       (49) Gross receipts from the lease of the following  
9       tangible personal property:

10       (1) computer software transferred subject to a  
11       license that meets the following requirements:

12       (A) it is evidenced by a written agreement  
13       signed by the licensor and the customer;

14       (i) an electronic agreement in which the  
15       customer accepts the license by means of an  
16       electronic signature that is verifiable and  
17       can be authenticated and is attached to or  
18       made part of the license will comply with this  
19       requirement;

20       (ii) a license agreement in which the  
21       customer electronically accepts the terms by  
22       clicking "I agree" does not comply with this  
23       requirement;

24       (B) it restricts the customer's duplication  
25       and use of the software;

26       (C) it prohibits the customer from licensing,

1           sublicensing, or transferring the software to a  
2           third party (except to a related party) without  
3           the permission and continued control of the  
4           licensor;

5           (D) the licensor has a policy of providing  
6           another copy at minimal or no charge if the  
7           customer loses or damages the software, or of  
8           permitting the licensee to make and keep an  
9           archival copy, and such policy is either stated in  
10          the license agreement, supported by the licensor's  
11          books and records, or supported by a notarized  
12          statement made under penalties of perjury by the  
13          licensor; and

14          (E) the customer must destroy or return all  
15          copies of the software to the licensor at the end  
16          of the license period; this provision is deemed to  
17          be met, in the case of a perpetual license,  
18          without being set forth in the license agreement;  
19          and

20          (2) property that is subject to a tax on lease  
21          receipts imposed by a home rule unit of local  
22          government if the ordinance imposing that tax was  
23          adopted prior to January 1, 2023.

24         (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;  
25         102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,  
26         Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.

1 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section  
2 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.  
3 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised  
4 12-12-23.)

5 (35 ILCS 120/2-10)

6 Sec. 2-10. Rate of tax. Unless otherwise provided in this  
7 Section, the tax imposed by this Act is at the rate of 6.25% of  
8 gross receipts from sales, which, on and after January 1,  
9 2025, includes leases, of tangible personal property made in  
10 the course of business.

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

15 Beginning on August 6, 2010 through August 15, 2010, and  
16 beginning again on August 5, 2022 through August 14, 2022,  
17 with respect to sales tax holiday items as defined in Section  
18 2-8 of this Act, the tax is imposed at the rate of 1.25%.

19 Within 14 days after July 1, 2000 (the effective date of  
20 Public Act 91-872), each retailer of motor fuel and gasohol  
21 shall cause the following notice to be posted in a prominently  
22 visible place on each retail dispensing device that is used to  
23 dispense motor fuel or gasohol in the State of Illinois: "As of  
24 July 1, 2000, the State of Illinois has eliminated the State's  
25 share of sales tax on motor fuel and gasohol through December



1 31, 2000. The price on this pump should reflect the  
2 elimination of the tax." The notice shall be printed in bold  
3 print on a sign that is no smaller than 4 inches by 8 inches.  
4 The sign shall be clearly visible to customers. Any retailer  
5 who fails to post or maintain a required sign through December  
6 31, 2000 is guilty of a petty offense for which the fine shall  
7 be \$500 per day per each retail premises where a violation  
8 occurs.

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 proceeds of  
11 sales made on or after January 1, 1990, and before July 1,  
12 2003, (ii) 80% of the proceeds of sales made on or after July  
13 1, 2003 and on or before July 1, 2017, (iii) 100% of the  
14 proceeds of sales made after July 1, 2017 and prior to January  
15 1, 2024, (iv) 90% of the proceeds of sales made on or after  
16 January 1, 2024 and on or before December 31, 2028, and (v)  
17 100% of the proceeds of sales made after December 31, 2028. If,  
18 at any time, however, the tax under this Act on sales of  
19 gasohol, as defined in the Use Tax Act, is imposed at the rate  
20 of 1.25%, then the tax imposed by this Act applies to 100% of  
21 the proceeds of sales of gasohol made during that time.

22 With respect to mid-range ethanol blends, as defined in  
23 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
24 applies to (i) 80% of the proceeds of sales made on or after  
25 January 1, 2024 and on or before December 31, 2028 and (ii)  
26 100% of the proceeds of sales made after December 31, 2028. If,

1 at any time, however, the tax under this Act on sales of  
2 mid-range ethanol blends is imposed at the rate of 1.25%, then  
3 the tax imposed by this Act applies to 100% of the proceeds of  
4 sales of mid-range ethanol blends made during that time.

5 With respect to majority blended ethanol fuel, as defined  
6 in the Use Tax Act, the tax imposed by this Act does not apply  
7 to the proceeds of sales made on or after July 1, 2003 and on  
8 or before December 31, 2028 but applies to 100% of the proceeds  
9 of sales made thereafter.

10 With respect to biodiesel blends, as defined in the Use  
11 Tax Act, with no less than 1% and no more than 10% biodiesel,  
12 the tax imposed by this Act applies to (i) 80% of the proceeds  
13 of sales made on or after July 1, 2003 and on or before  
14 December 31, 2018 and (ii) 100% of the proceeds of sales made  
15 after December 31, 2018 and before January 1, 2024. On and  
16 after January 1, 2024 and on or before December 31, 2030, the  
17 taxation of biodiesel, renewable diesel, and biodiesel blends  
18 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
19 at any time, however, the tax under this Act on sales of  
20 biodiesel blends, as defined in the Use Tax Act, with no less  
21 than 1% and no more than 10% biodiesel is imposed at the rate  
22 of 1.25%, then the tax imposed by this Act applies to 100% of  
23 the proceeds of sales of biodiesel blends with no less than 1%  
24 and no more than 10% biodiesel made during that time.

25 With respect to biodiesel, as defined in the Use Tax Act,  
26 and biodiesel blends, as defined in the Use Tax Act, with more

1 than 10% but no more than 99% biodiesel, the tax imposed by  
2 this Act does not apply to the proceeds of sales made on or  
3 after July 1, 2003 and on or before December 31, 2023. On and  
4 after January 1, 2024 and on or before December 31, 2030, the  
5 taxation of biodiesel, renewable diesel, and biodiesel blends  
6 shall be as provided in Section 3-5.1 of the Use Tax Act.

7       Until July 1, 2022 and beginning again on July 1, 2023,  
8 with respect to 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), the tax is imposed at the rate of 1%.  
13 Beginning July 1, 2022 and until July 1, 2023, with respect to  
14 food for human consumption that is to be consumed off the  
15 premises where it is sold (other than alcoholic beverages,  
16 food consisting of or infused with adult use cannabis, soft  
17 drinks, and food that has been prepared for immediate  
18 consumption), the tax is imposed at the rate of 0%.

19       With respect to prescription and nonprescription  
20 medicines, drugs, medical appliances, products classified as  
21 Class III medical devices by the United States Food and Drug  
22 Administration that are used for cancer treatment pursuant to  
23 a prescription, as well as any accessories and components  
24 related to those devices, modifications to a motor vehicle for  
25 the purpose of rendering it usable by a person with a  
26 disability, and insulin, blood sugar testing materials,

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

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

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

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

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

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

1 label includes:

2 (A) a "Drug Facts" panel; or

3 (B) a statement of the "active ingredient(s)" with a  
4 list of those ingredients contained in the compound,  
5 substance or preparation.

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

11 As used in this Section, "adult use cannabis" means  
12 cannabis subject to tax under the Cannabis Cultivation  
13 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
14 and does not include cannabis subject to tax under the  
15 Compassionate Use of Medical Cannabis Program Act.

16 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
17 Section 20-20, eff. 4-19-22; 102-700, Article 60, Section  
18 60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.  
19 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23.)

20 (35 ILCS 120/2-12)

21 Sec. 2-12. Location where retailer is deemed to be engaged  
22 in the business of selling. The purpose of this Section is to  
23 specify where a retailer is deemed to be engaged in the  
24 business of selling tangible personal property for the  
25 purposes of this Act, the Use Tax Act, the Service Use Tax Act,

1 and the Service Occupation Tax Act, and for the purpose of  
2 collecting any other local retailers' occupation tax  
3 administered by the Department. This Section applies only with  
4 respect to the particular selling activities described in the  
5 following paragraphs. The provisions of this Section are not  
6 intended to, and shall not be interpreted to, affect where a  
7 retailer is deemed to be engaged in the business of selling  
8 with respect to any activity that is not specifically  
9 described in the following paragraphs.

10 (1) If a purchaser who is present at the retailer's  
11 place of business, having no prior commitment to the  
12 retailer, agrees to purchase and makes payment for  
13 tangible personal property at the retailer's place of  
14 business, then the transaction shall be deemed an  
15 over-the-counter sale occurring at the retailer's same  
16 place of business where the purchaser was present and made  
17 payment for that tangible personal property if the  
18 retailer regularly stocks the purchased tangible personal  
19 property or similar tangible personal property in the  
20 quantity, or similar quantity, for sale at the retailer's  
21 same place of business and then either (i) the purchaser  
22 takes possession of the tangible personal property at the  
23 same place of business or (ii) the retailer delivers or  
24 arranges for the tangible personal property to be  
25 delivered to the purchaser.

26 (2) If a purchaser, having no prior commitment to the

1 retailer, agrees to purchase tangible personal property  
2 and makes payment over the phone, in writing, or via the  
3 Internet and takes possession of the tangible personal  
4 property at the retailer's place of business, then the  
5 sale shall be deemed to have occurred at the retailer's  
6 place of business where the purchaser takes possession of  
7 the property if the retailer regularly stocks the item or  
8 similar items in the quantity, or similar quantities,  
9 purchased by the purchaser.

10 (3) A retailer is deemed to be engaged in the business  
11 of selling food, beverages, or other tangible personal  
12 property through a vending machine at the location where  
13 the vending machine is located at the time the sale is made  
14 if (i) the vending machine is a device operated by coin,  
15 currency, credit card, token, coupon or similar device;  
16 (2) the food, beverage or other tangible personal property  
17 is contained within the vending machine and dispensed from  
18 the vending machine; and (3) the purchaser takes  
19 possession of the purchased food, beverage or other  
20 tangible personal property immediately.

21 (4) Minerals. A producer of coal or other mineral  
22 mined in Illinois is deemed to be engaged in the business  
23 of selling at the place where the coal or other mineral  
24 mined in Illinois is extracted from the earth. With  
25 respect to minerals (i) the term "extracted from the  
26 earth" means the location at which the coal or other



1 mineral is extracted from the mouth of the mine, and (ii) a  
2 "mineral" includes not only coal, but also oil, sand,  
3 stone taken from a quarry, gravel and any other thing  
4 commonly regarded as a mineral and extracted from the  
5 earth. This paragraph does not apply to coal or another  
6 mineral when it is delivered or shipped by the seller to  
7 the purchaser at a point outside Illinois so that the sale  
8 is exempt under the United States Constitution as a sale  
9 in interstate or foreign commerce.

10 (5) A retailer selling tangible personal property to a  
11 nominal lessee or bailee pursuant to a lease with a dollar  
12 or other nominal option to purchase is engaged in the  
13 business of selling at the location where the property is  
14 first delivered to the lessee or bailee for its intended  
15 use.

16 (5.5) Lease transactions. The lease of tangible  
17 personal property that is subject to the tax on leases  
18 under this amendatory Act of the 103rd General Assembly is  
19 sourced as follows:

20 (i) For a lease that requires recurring periodic  
21 payments and for which the property is delivered to  
22 the lessee by the lessor, each periodic payment is  
23 sourced to the primary property location for each  
24 period covered by the payment. The primary property  
25 location shall be as indicated by an address for the  
26 property provided by the lessee that is available to

1           the lessor from its records maintained in the ordinary  
2           course of business, when use of this address does not  
3           constitute bad faith. The property location is not  
4           altered by intermittent use at different locations,  
5           such as use of business property that accompanies  
6           employees on business trips and service calls.

7           (ii) For all other leases, including a lease that  
8           does not require recurring periodic payments and any  
9           lease for which the lessee takes possession of the  
10           property at the lessor's place of business, the  
11           payment is sourced as otherwise provided under this  
12           Act for sales at retail other than leases.

13           (6) Beginning on January 1, 2021, a remote retailer  
14           making retail sales of tangible personal property that  
15           meet or exceed the thresholds established in paragraph (1)  
16           or (2) of subsection (b) of Section 2 of this Act is  
17           engaged in the business of selling at the Illinois  
18           location to which the tangible personal property is  
19           shipped or delivered or at which possession is taken by  
20           the purchaser.

21           (7) Beginning January 1, 2021, a marketplace  
22           facilitator facilitating sales of tangible personal  
23           property that meet or exceed one of the thresholds  
24           established in paragraph (1) or (2) of subsection (c) of  
25           Section 2 of this Act is deemed to be engaged in the  
26           business of selling at the Illinois location to which the

1           tangible personal property is shipped or delivered or at  
2           which possession is taken by the purchaser when the sale  
3           is made by a marketplace seller on the marketplace  
4           facilitator's marketplace.

5           (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20.)

6           (35 ILCS 120/2a) (from Ch. 120, par. 441a)

7           Sec. 2a. Registration of retailers. It is unlawful for any  
8           person to engage in the business of selling, which, on and  
9           after January 1, 2025, includes leasing, tangible personal  
10          property at retail in this State without a certificate of  
11          registration from the Department. Application for a  
12          certificate of registration shall be made to the Department  
13          upon forms furnished by it. Each such application shall be  
14          signed and verified and shall state: (1) the name and social  
15          security number of the applicant; (2) the address of his  
16          principal place of business; (3) the address of the principal  
17          place of business from which he engages in the business of  
18          selling tangible personal property at retail in this State and  
19          the addresses of all other places of business, if any  
20          (enumerating such addresses, if any, in a separate list  
21          attached to and made a part of the application), from which he  
22          engages in the business of selling tangible personal property  
23          at retail in this State; (4) the name and address of the person  
24          or persons who will be responsible for filing returns and  
25          payment of taxes due under this Act; (5) in the case of a

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

19 The Department shall provide by rule for an expedited  
20 business registration process for remote retailers required to  
21 register and file under subsection (b) of Section 2 who use a  
22 certified service provider to file their returns under this  
23 Act. Such expedited registration process shall allow the  
24 Department to register a taxpayer based upon the same  
25 registration information required by the Streamlined Sales Tax  
26 Governing Board for states participating in the Streamlined

1 Sales Tax Project.

2 The Department may deny a certificate of registration to  
3 any applicant if a person who is named as the owner, a partner,  
4 a manager or member of a limited liability company, or a  
5 corporate officer of the applicant on the application for the  
6 certificate of registration is or has been named as the owner,  
7 a partner, a manager or member of a limited liability company,  
8 or a corporate officer on the application for the certificate  
9 of registration of another retailer that (i) is in default for  
10 moneys due under this Act or any other tax or fee Act  
11 administered by the Department or (ii) fails to file any  
12 return, on or before the due date prescribed for filing that  
13 return (including any extensions of time granted by the  
14 Department), that the retailer is required to file under this  
15 Act or any other tax or fee Act administered by the Department.  
16 For purposes of this paragraph only, in determining whether a  
17 person is in default for moneys due, the Department shall  
18 include only amounts established as a final liability within  
19 the 23 years prior to the date of the Department's notice of  
20 denial of a certificate of registration.

21 The Department may require an applicant for a certificate  
22 of registration hereunder to, at the time of filing such  
23 application, furnish a bond from a surety company authorized  
24 to do business in the State of Illinois, or an irrevocable bank  
25 letter of credit or a bond signed by 2 personal sureties who  
26 have filed, with the Department, sworn statements disclosing

1 net assets equal to at least 3 times the amount of the bond to  
2 be required of such applicant, or a bond secured by an  
3 assignment of a bank account or certificate of deposit, stocks  
4 or bonds, conditioned upon the applicant paying to the State  
5 of Illinois all moneys becoming due under this Act and under  
6 any other State tax law or municipal or county tax ordinance or  
7 resolution under which the certificate of registration that is  
8 issued to the applicant under this Act will permit the  
9 applicant to engage in business without registering separately  
10 under such other law, ordinance or resolution. In making a  
11 determination as to whether to require a bond or other  
12 security, the Department shall take into consideration whether  
13 the owner, any partner, any manager or member of a limited  
14 liability company, or a corporate officer of the applicant is  
15 or has been the owner, a partner, a manager or member of a  
16 limited liability company, or a corporate officer of another  
17 retailer that is in default for moneys due under this Act or  
18 any other tax or fee Act administered by the Department; and  
19 whether the owner, any partner, any manager or member of a  
20 limited liability company, or a corporate officer of the  
21 applicant is or has been the owner, a partner, a manager or  
22 member of a limited liability company, or a corporate officer  
23 of another retailer whose certificate of registration has been  
24 revoked within the previous 5 years under this Act or any other  
25 tax or fee Act administered by the Department. If a bond or  
26 other security is required, the Department shall fix the

1 amount of the bond or other security, taking into  
2 consideration the amount of money expected to become due from  
3 the applicant under this Act and under any other State tax law  
4 or municipal or county tax ordinance or resolution under which  
5 the certificate of registration that is issued to the  
6 applicant under this Act will permit the applicant to engage  
7 in business without registering separately under such other  
8 law, ordinance, or resolution. The amount of security required  
9 by the Department shall be such as, in its opinion, will  
10 protect the State of Illinois against failure to pay the  
11 amount which may become due from the applicant under this Act  
12 and under any other State tax law or municipal or county tax  
13 ordinance or resolution under which the certificate of  
14 registration that is issued to the applicant under this Act  
15 will permit the applicant to engage in business without  
16 registering separately under such other law, ordinance or  
17 resolution, but the amount of the security required by the  
18 Department shall not exceed three times the amount of the  
19 applicant's average monthly tax liability, or \$50,000.00,  
20 whichever amount is lower.

21 No certificate of registration under this Act shall be  
22 issued by the Department until the applicant provides the  
23 Department with satisfactory security, if required, as herein  
24 provided for.

25 Upon receipt of the application for certificate of  
26 registration in proper form, and upon approval by the

1 Department of the security furnished by the applicant, if  
2 required, the Department shall issue to such applicant a  
3 certificate of registration which shall permit the person to  
4 whom it is issued to engage in the business of selling tangible  
5 personal property at retail in this State. The certificate of  
6 registration shall be conspicuously displayed at the place of  
7 business which the person so registered states in his  
8 application to be the principal place of business from which  
9 he engages in the business of selling tangible personal  
10 property at retail in this State.

11 No certificate of registration issued prior to July 1,  
12 2017 to a taxpayer who files returns required by this Act on a  
13 monthly basis or renewed prior to July 1, 2017 by a taxpayer  
14 who files returns required by this Act on a monthly basis shall  
15 be valid after the expiration of 5 years from the date of its  
16 issuance or last renewal. No certificate of registration  
17 issued on or after July 1, 2017 to a taxpayer who files returns  
18 required by this Act on a monthly basis or renewed on or after  
19 July 1, 2017 by a taxpayer who files returns required by this  
20 Act on a monthly basis shall be valid after the expiration of  
21 one year from the date of its issuance or last renewal. The  
22 expiration date of a sub-certificate of registration shall be  
23 that of the certificate of registration to which the  
24 sub-certificate relates. Prior to July 1, 2017, a certificate  
25 of registration shall automatically be renewed, subject to  
26 revocation as provided by this Act, for an additional 5 years



1 from the date of its expiration unless otherwise notified by  
2 the Department as provided by this paragraph. On and after  
3 July 1, 2017, a certificate of registration shall  
4 automatically be renewed, subject to revocation as provided by  
5 this Act, for an additional one year from the date of its  
6 expiration unless otherwise notified by the Department as  
7 provided by this paragraph.

8 Where a taxpayer to whom a certificate of registration is  
9 issued under this Act is in default to the State of Illinois  
10 for delinquent returns or for moneys due under this Act or any  
11 other State tax law or municipal or county ordinance  
12 administered or enforced by the Department, the Department  
13 shall, not less than 60 days before the expiration date of such  
14 certificate of registration, give notice to the taxpayer to  
15 whom the certificate was issued of the account period of the  
16 delinquent returns, the amount of tax, penalty and interest  
17 due and owing from the taxpayer, and that the certificate of  
18 registration shall not be automatically renewed upon its  
19 expiration date unless the taxpayer, on or before the date of  
20 expiration, has filed and paid the delinquent returns or paid  
21 the defaulted amount in full. A taxpayer to whom such a notice  
22 is issued shall be deemed an applicant for renewal. The  
23 Department shall promulgate regulations establishing  
24 procedures for taxpayers who file returns on a monthly basis  
25 but desire and qualify to change to a quarterly or yearly  
26 filing basis and will no longer be subject to renewal under

1 this Section, and for taxpayers who file returns on a yearly or  
2 quarterly basis but who desire or are required to change to a  
3 monthly filing basis and will be subject to renewal under this  
4 Section.

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

23 The Department may suspend a certificate of registration  
24 if the Department finds that the person to whom the  
25 certificate of registration has been issued knowingly sold  
26 contraband cigarettes.

1           A certificate of registration issued under this Act more  
2 than 5 years before January 1, 1990 (the effective date of  
3 Public Act 86-383) shall expire and be subject to the renewal  
4 provisions of this Section on the next anniversary of the date  
5 of issuance of such certificate which occurs more than 6  
6 months after January 1, 1990 (the effective date of Public Act  
7 86-383). A certificate of registration issued less than 5  
8 years before January 1, 1990 (the effective date of Public Act  
9 86-383) shall expire and be subject to the renewal provisions  
10 of this Section on the 5th anniversary of the issuance of the  
11 certificate.

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

22           If the applicant will sell tangible personal property at  
23 retail through vending machines, the Department shall furnish  
24 him with a sub-certificate of registration for each such  
25 vending machine, and the applicant shall display the  
26 appropriate sub-certificate of registration on each such

1 vending machine by attaching the sub-certificate of  
2 registration to a conspicuous part of such vending machine. If  
3 a person who is registered to sell tangible personal property  
4 at retail through vending machines adds an additional vending  
5 machine or additional vending machines to the number of  
6 vending machines he or she uses in his or her business of  
7 selling tangible personal property at retail, he or she shall  
8 notify the Department, on a form prescribed by the Department,  
9 to request an additional sub-certificate or additional  
10 sub-certificates of registration, as applicable. With each  
11 such request, the applicant shall report the number of  
12 sub-certificates of registration he or she is requesting as  
13 well as the total number of vending machines from which he or  
14 she makes retail sales.

15 Where the same person engages in 2 or more businesses of  
16 selling tangible personal property at retail in this State,  
17 which businesses are substantially different in character or  
18 engaged in under different trade names or engaged in under  
19 other substantially dissimilar circumstances (so that it is  
20 more practicable, from an accounting, auditing or bookkeeping  
21 standpoint, for such businesses to be separately registered),  
22 the Department may require or permit such person (subject to  
23 the same requirements concerning the furnishing of security as  
24 those that are provided for hereinbefore in this Section as to  
25 each application for a certificate of registration) to apply  
26 for and obtain a separate certificate of registration for each

1 such business or for any of such businesses, under a single  
2 certificate of registration supplemented by related  
3 sub-certificates of registration.

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

24 Every Prior Continuous Compliance taxpayer shall be exempt  
25 from all requirements under this Act concerning the furnishing  
26 of a bond or other security as a condition precedent to his

1 being authorized to engage in the business of selling tangible  
2 personal property at retail in this State. This exemption  
3 shall continue for each such taxpayer until such time as he may  
4 be determined by the Department to be delinquent in the filing  
5 of any returns, or is determined by the Department (either  
6 through the Department's issuance of a final assessment which  
7 has become final under the Act, or by the taxpayer's filing of  
8 a return which admits tax that is not paid to be due) to be  
9 delinquent or deficient in the paying of any tax under this Act  
10 or under any other State tax law or municipal or county tax  
11 ordinance or resolution under which the certificate of  
12 registration that is issued to the registrant under this Act  
13 will permit the registrant to engage in business without  
14 registering separately under such other law, ordinance or  
15 resolution, at which time that taxpayer shall become subject  
16 to all the financial responsibility requirements of this Act  
17 and, as a condition of being allowed to continue to engage in  
18 the business of selling tangible personal property at retail,  
19 may be required to post bond or other acceptable security with  
20 the Department covering liability which such taxpayer may  
21 thereafter incur. Any taxpayer who fails to pay an admitted or  
22 established liability under this Act may also be required to  
23 post bond or other acceptable security with this Department  
24 guaranteeing the payment of such admitted or established  
25 liability.

26 No certificate of registration shall be issued to any

1 person who is in default to the State of Illinois for moneys  
2 due under this Act or under any other State tax law or  
3 municipal or county tax ordinance or resolution under which  
4 the certificate of registration that is issued to the  
5 applicant under this Act will permit the applicant to engage  
6 in business without registering separately under such other  
7 law, ordinance or resolution.

8 Any person aggrieved by any decision of the Department  
9 under this Section may, within 20 days after notice of such  
10 decision, protest and request a hearing, whereupon the  
11 Department shall give notice to such person of the time and  
12 place fixed for such hearing and shall hold a hearing in  
13 conformity with the provisions of this Act and then issue its  
14 final administrative decision in the matter to such person. In  
15 the absence of such a protest within 20 days, the Department's  
16 decision shall become final without any further determination  
17 being made or notice given.

18 With respect to security other than bonds (upon which the  
19 Department may sue in the event of a forfeiture), if the  
20 taxpayer fails to pay, when due, any amount whose payment such  
21 security guarantees, the Department shall, after such  
22 liability is admitted by the taxpayer or established by the  
23 Department through the issuance of a final assessment that has  
24 become final under the law, convert the security which that  
25 taxpayer has furnished into money for the State, after first  
26 giving the taxpayer at least 10 days' written notice, by

1 registered or certified mail, to pay the liability or forfeit  
2 such security to the Department. If the security consists of  
3 stocks or bonds or other securities which are listed on a  
4 public exchange, the Department shall sell such securities  
5 through such public exchange. If the security consists of an  
6 irrevocable bank letter of credit, the Department shall  
7 convert the security in the manner provided for in the Uniform  
8 Commercial Code. If the security consists of a bank  
9 certificate of deposit, the Department shall convert the  
10 security into money by demanding and collecting the amount of  
11 such bank certificate of deposit from the bank which issued  
12 such certificate. If the security consists of a type of stocks  
13 or other securities which are not listed on a public exchange,  
14 the Department shall sell such security to the highest and  
15 best bidder after giving at least 10 days' notice of the date,  
16 time and place of the intended sale by publication in the  
17 "State Official Newspaper". If the Department realizes more  
18 than the amount of such liability from the security, plus the  
19 expenses incurred by the Department in converting the security  
20 into money, the Department shall pay such excess to the  
21 taxpayer who furnished such security, and the balance shall be  
22 paid into the State Treasury.

23 The Department shall discharge any surety and shall  
24 release and return any security deposited, assigned, pledged  
25 or otherwise provided to it by a taxpayer under this Section  
26 within 30 days after:



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

3           (2) such taxpayer has ceased to collect receipts on  
4 which he is required to remit tax to the Department, has  
5 filed a final tax return, and has paid to the Department an  
6 amount sufficient to discharge his remaining tax  
7 liability, as determined by the Department, under this Act  
8 and under every other State tax law or municipal or county  
9 tax ordinance or resolution under which the certificate of  
10 registration issued under this Act permits the registrant  
11 to engage in business without registering separately under  
12 such other law, ordinance or resolution. The Department  
13 shall make a final determination of the taxpayer's  
14 outstanding tax liability as expeditiously as possible  
15 after his final tax return has been filed; if the  
16 Department cannot make such final determination within 45  
17 days after receiving the final tax return, within such  
18 period it shall so notify the taxpayer, stating its  
19 reasons therefor.

20 (Source: P.A. 102-40, eff. 6-25-21; 103-319, eff. 1-1-24.)

21 (35 ILCS 120/2c) (from Ch. 120, par. 441c)

22 Sec. 2c. Resales of tangible personal property. If the  
23 purchaser is not registered with the Department as a taxpayer,  
24 but claims to be a reseller of the tangible personal property  
25 in such a way that such resales are not taxable under this Act

1 or under some other tax law which the Department may  
2 administer, such purchaser (except in the case of an  
3 out-of-State purchaser who will always resell and deliver the  
4 property to his customers outside Illinois) shall apply to the  
5 Department for a resale number. Such applicant shall state  
6 facts which will show the Department why such applicant is not  
7 liable for tax under this Act or under some other tax law which  
8 the Department may administer on any of his resales and shall  
9 furnish such additional information as the Department may  
10 reasonably require.

11 Upon approval of the application, the Department shall  
12 assign a resale number to the applicant and shall certify such  
13 number to him. The Department may cancel any such number which  
14 is obtained through misrepresentation, or which is used to  
15 make a purchase tax-free when the purchase in fact is not a  
16 purchase for resale, or which no longer applies because of the  
17 purchaser's having discontinued the making of tax exempt  
18 resales of the property.

19 The Department may restrict the use of the number to one  
20 year at a time or to some other definite period if the  
21 Department finds it impracticable or otherwise inadvisable to  
22 issue such numbers for indefinite periods.

23 Except as provided hereinabove in this Section, a sale  
24 shall be made tax-free on the ground of being a sale for resale  
25 if the purchaser has an active registration number or resale  
26 number from the Department and furnishes that number to the

1 seller in connection with certifying to the seller that any  
2 sale to such purchaser is nontaxable because of being a sale  
3 for resale. On and after January 1, 2025, a sale to a lessor of  
4 tangible personal property who is subject to the tax on leases  
5 implemented by this amendatory Act of the 103rd General  
6 Assembly, for the purpose of leasing that property, shall be  
7 made tax-free on the ground of being a sale for resale,  
8 provided the other provisions of this paragraph are met.

9 Failure to present an active registration number or resale  
10 number and a certification to the seller that a sale is for  
11 resale creates a presumption that a sale is not for resale.  
12 This presumption may be rebutted by other evidence that all of  
13 the seller's sales are sale for resale, or that a particular  
14 sale is a sale for resale.

15 (Source: P.A. 83-1463.)

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

17 Sec. 3. Except as provided in this Section, on or before  
18 the twentieth day of each calendar month, every person engaged  
19 in the business of selling, which, on and after January 1,  
20 2025, includes leasing, tangible personal property at retail  
21 in this State during the preceding calendar month shall file a  
22 return with the Department, stating:

23 1. The name of the seller;

24 2. His residence address and the address of his  
25 principal place of business and the address of the

1 principal place of business (if that is a different  
2 address) from which he engages in the business of selling  
3 tangible personal property at retail in this State;

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

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

14 5. Deductions allowed by law;

15 6. Gross receipts which were received by him during  
16 the preceding calendar month or quarter and upon the basis  
17 of which the tax is imposed, including gross receipts on  
18 food for human consumption that is to be consumed off the  
19 premises where it is sold (other than alcoholic beverages,  
20 food consisting of or infused with adult use cannabis,  
21 soft drinks, and food that has been prepared for immediate  
22 consumption) which were received during the preceding  
23 calendar month or quarter and upon which tax would have  
24 been due but for the 0% rate imposed under Public Act  
25 102-700;

26 7. The amount of credit provided in Section 2d of this

1 Act;

2 8. The amount of tax due, including the amount of tax  
3 that would have been due on food for human consumption  
4 that is to be consumed off the premises where it is sold  
5 (other than alcoholic beverages, food consisting of or  
6 infused with adult use cannabis, soft drinks, and food  
7 that has been prepared for immediate consumption) but for  
8 the 0% rate imposed under Public Act 102-700;

9 9. The signature of the taxpayer; and

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

12 In the case of leases, except as otherwise provided in  
13 this Act, the lessor must remit for each tax return period only  
14 the tax applicable to that part of the selling price actually  
15 received during such tax return period.

16 On and after January 1, 2018, except for returns required  
17 to be filed prior to January 1, 2023 for motor vehicles,  
18 watercraft, aircraft, and trailers that are required to be  
19 registered with an agency of this State, with respect to  
20 retailers whose annual gross receipts average \$20,000 or more,  
21 all returns required to be filed pursuant to this Act shall be  
22 filed electronically. On and after January 1, 2023, with  
23 respect to retailers whose annual gross receipts average  
24 \$20,000 or more, all returns required to be filed pursuant to  
25 this Act, including, but not limited to, returns for motor  
26 vehicles, watercraft, aircraft, and trailers that are required

1 to be registered with an agency of this State, shall be filed  
2 electronically. Retailers who demonstrate that they do not  
3 have access to the Internet or demonstrate hardship in filing  
4 electronically may petition the Department to waive the  
5 electronic filing requirement.

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

13 Prior to October 1, 2003~~7~~ and on and after September 1,  
14 2004<sub>1</sub>, a retailer may accept a Manufacturer's Purchase Credit  
15 certification from a purchaser in satisfaction of Use Tax as  
16 provided in Section 3-85 of the Use Tax Act if the purchaser  
17 provides the appropriate documentation as required by Section  
18 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
19 certification, accepted by a retailer prior to October 1, 2003  
20 and on and after September 1, 2004 as provided in Section 3-85  
21 of the Use Tax Act, may be used by that retailer to satisfy  
22 Retailers' Occupation Tax liability in the amount claimed in  
23 the certification, not to exceed 6.25% of the receipts subject  
24 to tax from a qualifying purchase. A Manufacturer's Purchase  
25 Credit reported on any original or amended return filed under  
26 this Act after October 20, 2003 for reporting periods prior to

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

8 Beginning on July 1, 2023 and through December 31, 2032, a  
9 retailer may accept a Sustainable Aviation Fuel Purchase  
10 Credit certification from an air common carrier-purchaser in  
11 satisfaction of Use Tax on aviation fuel as provided in  
12 Section 3-87 of the Use Tax Act if the purchaser provides the  
13 appropriate documentation as required by Section 3-87 of the  
14 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit  
15 certification accepted by a retailer in accordance with this  
16 paragraph may be used by that retailer to satisfy Retailers'  
17 Occupation Tax liability (but not in satisfaction of penalty  
18 or interest) in the amount claimed in the certification, not  
19 to exceed 6.25% of the receipts subject to tax from a sale of  
20 aviation fuel. In addition, for a sale of aviation fuel to  
21 qualify to earn the Sustainable Aviation Fuel Purchase Credit,  
22 retailers must retain in their books and records a  
23 certification from the producer of the aviation fuel that the  
24 aviation fuel sold by the retailer and for which a sustainable  
25 aviation fuel purchase credit was earned meets the definition  
26 of sustainable aviation fuel under Section 3-87 of the Use Tax

1 Act. The documentation must include detail sufficient for the  
2 Department to determine the number of gallons of sustainable  
3 aviation fuel sold.

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

12 1. The name of the seller;

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

16 3. The total amount of taxable receipts received by  
17 him during the preceding calendar month from sales of  
18 tangible personal property by him during such preceding  
19 calendar month, including receipts from charge and time  
20 sales, but less all deductions allowed by law;

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

23 5. The amount of tax due; and

24 6. Such other reasonable information as the Department  
25 may require.

26 Every person engaged in the business of selling aviation



1 fuel at retail in this State during the preceding calendar  
2 month shall, instead of reporting and paying tax as otherwise  
3 required by this Section, report and pay such tax on a separate  
4 aviation fuel tax return. The requirements related to the  
5 return shall be as otherwise provided in this Section.  
6 Notwithstanding any other provisions of this Act to the  
7 contrary, retailers selling aviation fuel shall file all  
8 aviation fuel tax returns and shall make all aviation fuel tax  
9 payments by electronic means in the manner and form required  
10 by the Department. For purposes of this Section, "aviation  
11 fuel" means jet fuel and aviation gasoline.

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

26 Beginning on October 1, 2003, every distributor, importing

1 distributor, and manufacturer of alcoholic liquor as defined  
2 in the Liquor Control Act of 1934, shall file a statement with  
3 the Department of Revenue, no later than the 10th day of the  
4 month for the preceding month during which transactions  
5 occurred, by electronic means, showing the total amount of  
6 gross receipts from the sale of alcoholic liquor sold or  
7 distributed during the preceding month to purchasers;  
8 identifying the purchaser to whom it was sold or distributed;  
9 the purchaser's tax registration number; and such other  
10 information reasonably required by the Department. A  
11 distributor, importing distributor, or manufacturer of  
12 alcoholic liquor must personally deliver, mail, or provide by  
13 electronic means to each retailer listed on the monthly  
14 statement a report containing a cumulative total of that  
15 distributor's, importing distributor's, or manufacturer's  
16 total sales of alcoholic liquor to that retailer no later than  
17 the 10th day of the month for the preceding month during which  
18 the transaction occurred. The distributor, importing  
19 distributor, or manufacturer shall notify the retailer as to  
20 the method by which the distributor, importing distributor, or  
21 manufacturer will provide the sales information. If the  
22 retailer is unable to receive the sales information by  
23 electronic means, the distributor, importing distributor, or  
24 manufacturer shall furnish the sales information by personal  
25 delivery or by mail. For purposes of this paragraph, the term  
26 "electronic means" includes, but is not limited to, the use of

1 a secure Internet website, e-mail, or facsimile.

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

6 Notwithstanding any other provision of this Act to the  
7 contrary, retailers subject to tax on cannabis shall file all  
8 cannabis tax returns and shall make all cannabis tax payments  
9 by electronic means in the manner and form required by the  
10 Department.

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

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

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

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

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

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

25 Any amount which is required to be shown or reported on any  
26 return or other document under this Act shall, if such amount

1 is not a whole-dollar amount, be increased to the nearest  
2 whole-dollar amount in any case where the fractional part of a  
3 dollar is 50 cents or more, and decreased to the nearest  
4 whole-dollar amount where the fractional part of a dollar is  
5 less than 50 cents.

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

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

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

26 Notwithstanding any other provision in this Act concerning

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

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

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

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

11 In addition, with respect to motor vehicles, watercraft,  
12 aircraft, and trailers that are required to be registered with  
13 an agency of this State, every person who is engaged in the  
14 business of leasing or renting such items and who, in  
15 connection with such business, sells any such item to a  
16 retailer for the purpose of resale is, notwithstanding any  
17 other provision of this Section to the contrary, authorized to  
18 meet the return-filing requirement of this Act by reporting  
19 the transfer of all the aircraft, watercraft, motor vehicles,  
20 or trailers transferred for resale during a month to the  
21 Department on the same uniform invoice-transaction reporting  
22 return form on or before the 20th of the month following the  
23 month in which the transfer takes place. Notwithstanding any  
24 other provision of this Act to the contrary, all returns filed  
25 under this paragraph must be filed by electronic means in the  
26 manner and form as required by the Department.

1 Any retailer who sells only motor vehicles, watercraft,  
2 aircraft, or trailers that are required to be registered with  
3 an agency of this State, so that all retailers' occupation tax  
4 liability is required to be reported, and is reported, on such  
5 transaction reporting returns and who is not otherwise  
6 required to file monthly or quarterly returns, need not file  
7 monthly or quarterly returns. However, those retailers shall  
8 be required to file returns on an annual basis.

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



1 other information as is required in Section 5-402 of the  
2 Illinois Vehicle Code, and such other information as the  
3 Department may reasonably require.

4 The transaction reporting return in the case of watercraft  
5 or aircraft must show the name and address of the seller; the  
6 name and address of the purchaser; the amount of the selling  
7 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, and  
19 such other information as the Department may reasonably  
20 require.

21 Such transaction reporting return shall be filed not later  
22 than 20 days after the day of delivery of the item that is  
23 being sold, but may be filed by the retailer at any time sooner  
24 than that if he chooses to do so. The transaction reporting  
25 return and tax remittance or proof of exemption from the  
26 Illinois use tax may be transmitted to the Department by way of

1 the State agency with which, or State officer with whom the  
2 tangible personal property must be titled or registered (if  
3 titling or registration is required) if the Department and  
4 such agency or State officer determine that this procedure  
5 will expedite the processing of applications for title or  
6 registration.

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

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

1 mandate of this paragraph.

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

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

1 with respect to such receipts.

2 Where the seller is a corporation, the return filed on  
3 behalf of such corporation shall be signed by the president,  
4 vice-president, secretary, or treasurer or by the properly  
5 accredited agent of such corporation.

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

10 Except as provided in this Section, the retailer filing  
11 the return under this Section shall, at the time of filing such  
12 return, pay to the Department the amount of tax imposed by this  
13 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
14 on and after January 1, 1990, or \$5 per calendar year,  
15 whichever is greater, which is allowed to reimburse the  
16 retailer for the expenses incurred in keeping records,  
17 preparing and filing returns, remitting the tax and supplying  
18 data to the Department on request. On and after January 1,  
19 2021, a certified service provider, as defined in the Leveling  
20 the Playing Field for Illinois Retail Act, filing the return  
21 under this Section on behalf of a remote retailer shall, at the  
22 time of such return, pay to the Department the amount of tax  
23 imposed by this Act less a discount of 1.75%. A remote retailer  
24 using a certified service provider to file a return on its  
25 behalf, as provided in the Leveling the Playing Field for  
26 Illinois Retail Act, is not eligible for the discount. When

1 determining the discount allowed under this Section, retailers  
2 shall include the amount of tax that would have been due at the  
3 1% rate but for the 0% rate imposed under Public Act 102-700.  
4 When determining the discount allowed under this Section,  
5 retailers shall include the amount of tax that would have been  
6 due at the 6.25% rate but for the 1.25% rate imposed on sales  
7 tax holiday items under Public Act 102-700. The discount under  
8 this Section is not allowed for the 1.25% portion of taxes paid  
9 on aviation fuel that is subject to the revenue use  
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. Any  
11 prepayment made pursuant to Section 2d of this Act shall be  
12 included in the amount on which such 2.1% or 1.75% discount is  
13 computed. In the case of retailers who report and pay the tax  
14 on a transaction by transaction basis, as provided in this  
15 Section, such discount shall be taken with each such tax  
16 remittance instead of when such retailer files his periodic  
17 return. The discount allowed under this Section is allowed  
18 only for returns that are filed in the manner required by this  
19 Act. The Department may disallow the discount for retailers  
20 whose certificate of registration is revoked at the time the  
21 return is filed, but only if the Department's decision to  
22 revoke the certificate of registration has become final.

23 Before October 1, 2000, if the taxpayer's average monthly  
24 tax liability to the Department under this Act, the Use Tax  
25 Act, the Service Occupation Tax Act, and the Service Use Tax  
26 Act, excluding any liability for prepaid sales tax to be

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

1 liability is incurred begins on or after January 1, 1985 and  
2 prior to January 1, 1987, each payment shall be in an amount  
3 equal to 22.5% of the taxpayer's actual liability for the  
4 month or 27.5% of the taxpayer's liability for the same  
5 calendar month of the preceding year. If the month during  
6 which such tax liability is incurred begins on or after  
7 January 1, 1987 and prior to January 1, 1988, each payment  
8 shall be in an amount equal to 22.5% of the taxpayer's actual  
9 liability for the month or 26.25% of the taxpayer's liability  
10 for the same calendar month of the preceding year. If the month  
11 during which such tax liability is incurred begins on or after  
12 January 1, 1988, and prior to January 1, 1989, or begins on or  
13 after January 1, 1996, each payment shall be in an amount equal  
14 to 22.5% of the taxpayer's actual liability for the month or  
15 25% of the taxpayer's liability for the same calendar month of  
16 the preceding year. If the month during which such tax  
17 liability is incurred begins on or after January 1, 1989, and  
18 prior to January 1, 1996, each payment shall be in an amount  
19 equal to 22.5% of the taxpayer's actual liability for the  
20 month or 25% of the taxpayer's liability for the same calendar  
21 month of the preceding year or 100% of the taxpayer's actual  
22 liability for the quarter monthly reporting period. The amount  
23 of such quarter monthly payments shall be credited against the  
24 final tax liability of the taxpayer's return for that month.  
25 Before October 1, 2000, once applicable, the requirement of  
26 the making of quarter monthly payments to the Department by

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



1 taxpayer can show the Department that a substantial change in  
2 the taxpayer's business has occurred which causes the taxpayer  
3 to anticipate that his average monthly tax liability for the  
4 reasonably foreseeable future will fall below the \$20,000  
5 threshold stated above, then such taxpayer may petition the  
6 Department for a change in such taxpayer's reporting status.  
7 The Department shall change such taxpayer's reporting status  
8 unless it finds that such change is seasonal in nature and not  
9 likely to be long term. Quarter monthly payment status shall  
10 be determined under this paragraph as if the rate reduction to  
11 0% in Public Act 102-700 on food for human consumption that is  
12 to be consumed off the premises where it is sold (other than  
13 alcoholic beverages, food consisting of or infused with adult  
14 use cannabis, soft drinks, and food that has been prepared for  
15 immediate consumption) had not occurred. For quarter monthly  
16 payments due under this paragraph on or after July 1, 2023 and  
17 through June 30, 2024, "25% of the taxpayer's liability for  
18 the same calendar month of the preceding year" shall be  
19 determined as if the rate reduction to 0% in Public Act 102-700  
20 had not occurred. Quarter monthly payment status shall be  
21 determined under this paragraph as if the rate reduction to  
22 1.25% in Public Act 102-700 on sales tax holiday items had not  
23 occurred. For quarter monthly payments due on or after July 1,  
24 2023 and through June 30, 2024, "25% of the taxpayer's  
25 liability for the same calendar month of the preceding year"  
26 shall be determined as if the rate reduction to 1.25% in Public

1 Act 102-700 on sales tax holiday items had not occurred. If any  
2 such quarter monthly payment is not paid at the time or in the  
3 amount required by this Section, then the taxpayer shall be  
4 liable for penalties and interest on the difference between  
5 the minimum amount due as a payment and the amount of such  
6 quarter monthly payment actually and timely paid, except  
7 insofar as the taxpayer has previously made payments for that  
8 month to the Department in excess of the minimum payments  
9 previously due as provided in this Section. The Department  
10 shall make reasonable rules and regulations to govern the  
11 quarter monthly payment amount and quarter monthly payment  
12 dates for taxpayers who file on other than a calendar monthly  
13 basis.

14 The provisions of this paragraph apply before October 1,  
15 2001. Without regard to whether a taxpayer is required to make  
16 quarter monthly payments as specified above, any taxpayer who  
17 is required by Section 2d of this Act to collect and remit  
18 prepaid taxes and has collected prepaid taxes which average in  
19 excess of \$25,000 per month during the preceding 2 complete  
20 calendar quarters, shall file a return with the Department as  
21 required by Section 2f and shall make payments to the  
22 Department on or before the 7th, 15th, 22nd and last day of the  
23 month during which such liability is incurred. If the month  
24 during which such tax liability is incurred began prior to  
25 September 1, 1985 (the effective date of Public Act 84-221),  
26 each payment shall be in an amount not less than 22.5% of the

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

24 The provisions of this paragraph apply on and after  
25 October 1, 2001. Without regard to whether a taxpayer is  
26 required to make quarter monthly payments as specified above,

1 any taxpayer who is required by Section 2d of this Act to  
2 collect and remit prepaid taxes and has collected prepaid  
3 taxes that average in excess of \$20,000 per month during the  
4 preceding 4 complete calendar quarters shall file a return  
5 with the Department as required by Section 2f and shall make  
6 payments to the Department on or before the 7th, 15th, 22nd,  
7 and last day of the month during which the liability is  
8 incurred. Each payment shall be in an amount equal to 22.5% of  
9 the taxpayer's actual liability for the month or 25% of the  
10 taxpayer's liability for the same calendar month of the  
11 preceding year. The amount of the quarter monthly payments  
12 shall be credited against the final tax liability of the  
13 taxpayer's return for that month filed under this Section or  
14 Section 2f, as the case may be. Once applicable, the  
15 requirement of the making of quarter monthly payments to the  
16 Department pursuant to this paragraph shall continue until the  
17 taxpayer's average monthly prepaid tax collections during the  
18 preceding 4 complete calendar quarters (excluding the month of  
19 highest liability and the month of lowest liability) is less  
20 than \$19,000 or until such taxpayer's average monthly  
21 liability to the Department as computed for each calendar  
22 quarter of the 4 preceding complete calendar quarters is less  
23 than \$20,000. If any such quarter monthly payment is not paid  
24 at the time or in the amount required, the taxpayer shall be  
25 liable for penalties and interest on such difference, except  
26 insofar as the taxpayer has previously made payments for that

1 month in excess of the minimum payments previously due.

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

Fiscal Year	Total Deposit
1993	\$0
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 75-25. The Innovation Development and Economy Act  
4 is amended by changing Section 31 as follows:

5 (50 ILCS 470/31)

6 Sec. 31. STAR bond occupation taxes.

7 (a) If the corporate authorities of a political  
8 subdivision have established a STAR bond district and have  
9 elected to impose a tax by ordinance pursuant to subsection  
10 (b) or (c) of this Section, each year after the date of the  
11 adoption of the ordinance and until all STAR bond project  
12 costs and all political subdivision obligations financing the  
13 STAR bond project costs, if any, have been paid in accordance  
14 with the STAR bond project plans, but in no event longer than  
15 the maximum maturity date of the last of the STAR bonds issued  
16 for projects in the STAR bond district, all amounts generated  
17 by the retailers' occupation tax and service occupation tax  
18 shall be collected and the tax shall be enforced by the  
19 Department of Revenue in the same manner as all retailers'  
20 occupation taxes and service occupation taxes imposed in the  
21 political subdivision imposing the tax. The corporate  
22 authorities of the political subdivision shall deposit the  
23 proceeds of the taxes imposed under subsections (b) and (c)  
24 into either (i) a special fund held by the corporate

1 authorities of the political subdivision called the STAR Bonds  
2 Tax Allocation Fund for the purpose of paying STAR bond  
3 project costs and obligations incurred in the payment of those  
4 costs if such taxes are designated as pledged STAR revenues by  
5 resolution or ordinance of the political subdivision or (ii)  
6 the political subdivision's general corporate fund if such  
7 taxes are not designated as pledged STAR revenues by  
8 resolution or ordinance.

9 The tax imposed under this Section by a municipality may  
10 be imposed only on the portion of a STAR bond district that is  
11 within the boundaries of the municipality. For any part of a  
12 STAR bond district that lies outside of the boundaries of that  
13 municipality, the municipality in which the other part of the  
14 STAR bond district lies (or the county, in cases where a  
15 portion of the STAR bond district lies in the unincorporated  
16 area of a county) is authorized to impose the tax under this  
17 Section on that part of the STAR bond district.

18 (b) The corporate authorities of a political subdivision  
19 that has established a STAR bond district under this Act may,  
20 by ordinance or resolution, impose a STAR Bond Retailers'  
21 Occupation Tax upon all persons engaged in the business of  
22 selling tangible personal property, other than an item of  
23 tangible personal property titled or registered with an agency  
24 of this State's government, at retail in the STAR bond  
25 district at a rate not to exceed 1% of the gross receipts from  
26 the sales made in the course of that business, to be imposed

1 only in 0.25% increments. The tax may not be imposed on  
2 tangible personal property taxed at the 1% rate under the  
3 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
4 this amendatory Act of the 102nd General Assembly). Beginning  
5 December 1, 2019 and through December 31, 2020, this tax is not  
6 imposed on sales of aviation fuel unless the tax revenue is  
7 expended for airport-related purposes. If the District does  
8 not have an airport-related purpose to which aviation fuel tax  
9 revenue is dedicated, then aviation fuel is excluded from the  
10 tax. The municipality must comply with the certification  
11 requirements for airport-related purposes under Section 2-22  
12 of the Retailers' Occupation Tax Act. For purposes of this  
13 Act, "airport-related purposes" has the meaning ascribed in  
14 Section 6z-20.2 of the State Finance Act. Beginning January 1,  
15 2021, this tax is not imposed on sales of aviation fuel for so  
16 long as the revenue use requirements of 49 U.S.C. 47107(b) and  
17 49 U.S.C. 47133 are binding on the District.

18 The tax imposed under this subsection and all civil  
19 penalties that may be assessed as an incident thereof shall be  
20 collected and enforced by the Department of Revenue. The  
21 certificate of registration that is issued by the Department  
22 to a retailer under the Retailers' Occupation Tax Act shall  
23 permit the retailer to engage in a business that is taxable  
24 under any ordinance or resolution enacted pursuant to this  
25 subsection without registering separately with the Department  
26 under such ordinance or resolution or under this subsection.

1 The Department of Revenue shall have full power to administer  
2 and enforce this subsection, to collect all taxes and  
3 penalties due under this subsection in the manner hereinafter  
4 provided, and to determine all rights to credit memoranda  
5 arising on account of the erroneous payment of tax or penalty  
6 under this subsection. In the administration of, and  
7 compliance with, this subsection, the Department and persons  
8 who are subject to this subsection shall have the same rights,  
9 remedies, privileges, immunities, powers, and duties, and be  
10 subject to the same conditions, restrictions, limitations,  
11 penalties, exclusions, exemptions, and definitions of terms  
12 and employ the same modes of procedure, as are prescribed in  
13 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all  
14 provisions therein other than the State rate of tax), 2c  
15 through 2h, 3 (except as to the disposition of taxes and  
16 penalties collected, and except that the retailer's discount  
17 is not allowed for taxes paid on aviation fuel that are subject  
18 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
19 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,  
20 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the  
21 Retailers' Occupation Tax Act and all provisions of the  
22 Uniform Penalty and Interest Act, as fully as if those  
23 provisions were set forth herein.

24 If a tax is imposed under this subsection (b), a tax shall  
25 also be imposed under subsection (c) of this Section.

26 (c) If a tax has been imposed under subsection (b), a STAR

1 Bond Service Occupation Tax shall also be imposed upon all  
2 persons engaged, in the STAR bond district, in the business of  
3 making sales of service, who, as an incident to making those  
4 sales of service, transfer tangible personal property within  
5 the STAR bond district, either in the form of tangible  
6 personal property or in the form of real estate as an incident  
7 to a sale of service. The tax shall be imposed at the same rate  
8 as the tax imposed in subsection (b) and shall not exceed 1% of  
9 the selling price of tangible personal property so transferred  
10 within the STAR bond district, to be imposed only in 0.25%  
11 increments. The tax may not be imposed on tangible personal  
12 property taxed at the 1% rate under the Service Occupation Tax  
13 Act (or at the 0% rate imposed under this amendatory Act of the  
14 102nd General Assembly). Beginning December 1, 2019 and  
15 through December 31, 2020, this tax is not imposed on sales of  
16 aviation fuel unless the tax revenue is expended for  
17 airport-related purposes. If the District does not have an  
18 airport-related purpose to which aviation fuel tax revenue is  
19 dedicated, then aviation fuel is excluded from the tax. The  
20 municipality must comply with the certification requirements  
21 for airport-related purposes under Section 2-22 of the  
22 Retailers' Occupation Tax Act. For purposes of this Act,  
23 "airport-related purposes" has the meaning ascribed in Section  
24 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
25 this tax is not imposed on sales of aviation fuel for so long  
26 as the revenue use requirements of 49 U.S.C. 47107(b) and 49

1 U.S.C. 47133 are binding on the District.

2 The tax imposed under this subsection and all civil  
3 penalties that may be assessed as an incident thereof shall be  
4 collected and enforced by the Department of Revenue. The  
5 certificate of registration that is issued by the Department  
6 to a retailer under the Retailers' Occupation Tax Act or under  
7 the Service Occupation Tax Act shall permit the registrant to  
8 engage in a business that is taxable under any ordinance or  
9 resolution enacted pursuant to this subsection without  
10 registering separately with the Department under that  
11 ordinance or resolution or under this subsection. The  
12 Department of Revenue shall have full power to administer and  
13 enforce this subsection, to collect all taxes and penalties  
14 due under this subsection, to dispose of taxes and penalties  
15 so collected in the manner hereinafter provided, and to  
16 determine all rights to credit memoranda arising on account of  
17 the erroneous payment of tax or penalty under this subsection.  
18 In the administration of, and compliance with this subsection,  
19 the Department and persons who are subject to this subsection  
20 shall have the same rights, remedies, privileges, immunities,  
21 powers, and duties, and be subject to the same conditions,  
22 restrictions, limitations, penalties, exclusions, exemptions,  
23 and definitions of terms and employ the same modes of  
24 procedure as are prescribed in Sections 2, 2a through 2d, 3  
25 through 3-50 (in respect to all provisions therein other than  
26 the State rate of tax), 4 (except that the reference to the

1 State shall be to the STAR bond district), 5, 7, 8 (except that  
2 the jurisdiction to which the tax shall be a debt to the extent  
3 indicated in that Section 8 shall be the political  
4 subdivision), 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), 10,  
10 11, 12 (except the reference therein to Section 2b of the  
11 Retailers' Occupation Tax Act), 13 (except that any reference  
12 to the State shall mean the political subdivision), the first  
13 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of  
14 the Service Occupation Tax Act and all provisions of the  
15 Uniform Penalty and Interest Act, as fully as if those  
16 provisions were set forth herein.

17 If a tax is imposed under this subsection (c), a tax shall  
18 also be imposed under subsection (b) of this Section.

19 (c-5) If, on January 1, 2025, a unit of local government  
20 has in effect a tax under this Section, or if, after January 1,  
21 2025, a unit of local government imposes a tax under this  
22 Section, then that tax applies to leases of tangible personal  
23 property in effect, entered into, or renewed on or after that  
24 date in the same manner as the tax under this Section and in  
25 accordance with the changes made by this amendatory Act of the  
26 103rd General Assembly.

1 (d) Persons subject to any tax imposed under this Section  
2 may reimburse themselves for their seller's tax liability  
3 under this Section by separately stating the tax as an  
4 additional charge, which charge may be stated in combination,  
5 in a single amount, with State taxes that sellers are required  
6 to collect under the Use Tax Act, in accordance with such  
7 bracket schedules as the Department may prescribe.

8 Whenever the Department determines that a refund should be  
9 made under this Section to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified and to the person named in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund  
15 or the Local Government Aviation Trust Fund, as appropriate.

16 Except as otherwise provided in this paragraph, the  
17 Department shall immediately pay over to the State Treasurer,  
18 ex officio, as trustee, all taxes, penalties, and interest  
19 collected under this Section for deposit into the STAR Bond  
20 Retailers' Occupation Tax Fund. Taxes and penalties collected  
21 on aviation fuel sold on or after December 1, 2019, shall be  
22 immediately paid over by the Department to the State  
23 Treasurer, ex officio, as trustee, for deposit into the Local  
24 Government Aviation Trust Fund. The Department shall only pay  
25 moneys into the Local Government Aviation Trust Fund under  
26 this Section for so long as the revenue use requirements of 49



1 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
2 District. On or before the 25th day of each calendar month, the  
3 Department shall prepare and certify to the Comptroller the  
4 disbursement of stated sums of money to named political  
5 subdivisions from the STAR Bond Retailers' Occupation Tax  
6 Fund, the political subdivisions to be those from which  
7 retailers have paid taxes or penalties under this Section to  
8 the Department during the second preceding calendar month. The  
9 amount to be paid to each political subdivision shall be the  
10 amount (not including credit memoranda and not including taxes  
11 and penalties collected on aviation fuel sold on or after  
12 December 1, 2019) collected under this Section during the  
13 second preceding calendar month by the Department plus an  
14 amount the Department determines is necessary to offset any  
15 amounts that were erroneously paid to a different taxing body,  
16 and not including an amount equal to the amount of refunds made  
17 during the second preceding calendar month by the Department,  
18 less 3% of that amount, which shall be deposited into the Tax  
19 Compliance and Administration Fund and shall be used by the  
20 Department, subject to appropriation, to cover the costs of  
21 the Department in administering and enforcing the provisions  
22 of this Section, on behalf of such political subdivision, and  
23 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 political subdivision. Within 10 days after receipt by the

1 Comptroller of the disbursement certification to the political  
2 subdivisions provided for in this Section to be given to the  
3 Comptroller by the Department, the Comptroller shall cause the  
4 orders to be drawn for the respective amounts in accordance  
5 with the directions contained in the certification. The  
6 proceeds of the tax paid to political subdivisions under this  
7 Section shall be deposited into either (i) the STAR Bonds Tax  
8 Allocation Fund by the political subdivision if the political  
9 subdivision has designated them as pledged STAR revenues by  
10 resolution or ordinance or (ii) the political subdivision's  
11 general corporate fund if the political subdivision has not  
12 designated them as pledged STAR revenues.

13 An ordinance or resolution imposing or discontinuing the  
14 tax under this Section or effecting a change in the rate  
15 thereof shall either (i) be adopted and a certified copy  
16 thereof filed with the Department on or before the first day of  
17 April, whereupon the Department, if all other requirements of  
18 this Section are met, shall proceed to administer and enforce  
19 this Section as of the first day of July next following the  
20 adoption and filing; or (ii) be adopted and a certified copy  
21 thereof filed with the Department on or before the first day of  
22 October, whereupon, if all other requirements of this Section  
23 are met, the Department shall proceed to administer and  
24 enforce this Section as of the first day of January next  
25 following the adoption and filing.

26 The Department of Revenue shall not administer or enforce

1 an ordinance imposing, discontinuing, or changing the rate of  
2 the tax under this Section until the political subdivision  
3 also provides, in the manner prescribed by the Department, the  
4 boundaries of the STAR bond district and each address in the  
5 STAR bond district in such a way that the Department can  
6 determine by its address whether a business is located in the  
7 STAR bond district. The political subdivision must provide  
8 this boundary and address information to the Department on or  
9 before April 1 for administration and enforcement of the tax  
10 under this Section by the Department beginning on the  
11 following July 1 and on or before October 1 for administration  
12 and enforcement of the tax under this Section by the  
13 Department beginning on the following January 1. The  
14 Department of Revenue shall not administer or enforce any  
15 change made to the boundaries of a STAR bond district or any  
16 address change, addition, or deletion until the political  
17 subdivision reports the boundary change or address change,  
18 addition, or deletion to the Department in the manner  
19 prescribed by the Department. The political subdivision must  
20 provide this boundary change or address change, addition, or  
21 deletion information to the Department on or before April 1  
22 for administration and enforcement by the Department of the  
23 change, addition, or deletion beginning on the following July  
24 1 and on or before October 1 for administration and  
25 enforcement by the Department of the change, addition, or  
26 deletion beginning on the following January 1. The retailers

1 in the STAR bond district shall be responsible for charging  
2 the tax imposed under this Section. If a retailer is  
3 incorrectly included or excluded from the list of those  
4 required to collect the tax under this Section, both the  
5 Department of Revenue and the retailer shall be held harmless  
6 if they reasonably relied on information provided by the  
7 political subdivision.

8 A political subdivision that imposes the tax under this  
9 Section must submit to the Department of Revenue any other  
10 information as the Department may require that is necessary  
11 for the administration and enforcement of the tax.

12 When certifying the amount of a monthly disbursement to a  
13 political subdivision under this Section, the Department shall  
14 increase or decrease the amount by an amount necessary to  
15 offset any misallocation of previous disbursements. The offset  
16 amount shall be the amount erroneously disbursed within the  
17 previous 6 months from the time a misallocation is discovered.

18 Nothing in this Section shall be construed to authorize  
19 the political subdivision to impose a tax upon the privilege  
20 of engaging in any business which under the Constitution of  
21 the United States may not be made the subject of taxation by  
22 this State.

23 (e) When STAR bond project costs, including, without  
24 limitation, all political subdivision obligations financing  
25 STAR bond project costs, have been paid, any surplus funds  
26 then remaining in the STAR Bonds Tax Allocation Fund shall be

1 distributed to the treasurer of the political subdivision for  
2 deposit into the political subdivision's general corporate  
3 fund. Upon payment of all STAR bond project costs and  
4 retirement of obligations, but in no event later than the  
5 maximum maturity date of the last of the STAR bonds issued in  
6 the STAR bond district, the political subdivision shall adopt  
7 an ordinance immediately rescinding the taxes imposed pursuant  
8 to this Section and file a certified copy of the ordinance with  
9 the Department in the form and manner as described in this  
10 Section.

11 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19;  
12 102-700, eff. 4-19-22.)

13 Section 75-30. The Counties Code is amended by changing  
14 Sections 5-1006, 5-1006.5, 5-1006.7, 5-1007, and 5-1008.5 as  
15 follows:

16 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

17 Sec. 5-1006. Home Rule County Retailers' Occupation Tax  
18 Law. Any county that is a home rule unit may impose a tax upon  
19 all persons engaged in the business of selling tangible  
20 personal property, other than an item of tangible personal  
21 property titled or registered with an agency of this State's  
22 government, at retail in the county on the gross receipts from  
23 such sales made in the course of their business. If imposed,  
24 this tax shall only be imposed in 1/4% increments. On and after

1 September 1, 1991, this additional tax may not be imposed on  
2 tangible personal property taxed at the 1% rate under the  
3 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
4 this amendatory Act of the 102nd General Assembly). Beginning  
5 December 1, 2019, this tax is not imposed on sales of aviation  
6 fuel unless the tax revenue is expended for airport-related  
7 purposes. If the county does not have an airport-related  
8 purpose to which it dedicates aviation fuel tax revenue, then  
9 aviation fuel is excluded from the tax. The county must comply  
10 with the certification requirements for airport-related  
11 purposes under Section 2-22 of the Retailers' Occupation Tax  
12 Act. For purposes of this Section, "airport-related purposes"  
13 has the meaning ascribed in Section 6z-20.2 of the State  
14 Finance Act. This exclusion for aviation fuel only applies for  
15 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
16 and 49 U.S.C. 47133 are binding on the county. The changes made  
17 to this Section by this amendatory Act of the 101st General  
18 Assembly are a denial and limitation of home rule powers and  
19 functions under subsection (g) of Section 6 of Article VII of  
20 the Illinois Constitution.

21 If, on January 1, 2025, a unit of local government has in  
22 effect a tax under this Section, or if, after January 1, 2025,  
23 a unit of local government imposes a tax under this Section,  
24 then that tax applies to leases of tangible personal property  
25 in effect, entered into, or renewed on or after that date in  
26 the same manner as the tax under this Section and in accordance

1 with the changes made by this amendatory Act of the 103rd  
2 General Assembly.

3       The tax imposed by a home rule county pursuant to this  
4 Section and all civil penalties that may be assessed as an  
5 incident thereof shall be collected and enforced by the State  
6 Department of Revenue. The certificate of registration that is  
7 issued by the Department to a retailer under the Retailers'  
8 Occupation Tax Act shall permit the retailer to engage in a  
9 business that is taxable under any ordinance or resolution  
10 enacted pursuant to this Section without registering  
11 separately with the Department under such ordinance or  
12 resolution or under this Section. The Department shall have  
13 full power to administer and enforce this Section; to collect  
14 all taxes and penalties due hereunder; to dispose of taxes and  
15 penalties so collected in the manner hereinafter provided; and  
16 to determine all rights to credit memoranda arising on account  
17 of the erroneous payment of tax or penalty hereunder. In the  
18 administration of, and compliance with, this Section, the  
19 Department and persons who are subject to this Section shall  
20 have the same rights, remedies, privileges, immunities, powers  
21 and duties, and be subject to the same conditions,  
22 restrictions, limitations, penalties and definitions of terms,  
23 and employ the same modes of procedure, as are prescribed in  
24 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through  
25 2-65 (in respect to all provisions therein other than the  
26 State rate of tax), 3 (except as to the disposition of taxes

1 and penalties collected, and except that the retailer's  
2 discount is not allowed for taxes paid on aviation fuel that  
3 are subject to the revenue use requirements of 49 U.S.C.  
4 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
5 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12  
6 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of  
7 the Uniform Penalty and Interest Act, as fully as if those  
8 provisions were set forth herein.

9 No tax may be imposed by a home rule county pursuant to  
10 this Section unless the county also imposes a tax at the same  
11 rate pursuant to Section 5-1007.

12 Persons subject to any tax imposed pursuant to the  
13 authority granted in this Section may reimburse themselves for  
14 their seller's tax liability hereunder by separately stating  
15 such tax as an additional charge, which charge may be stated in  
16 combination, in a single amount, with State tax which sellers  
17 are required to collect under the Use Tax Act, pursuant to such  
18 bracket schedules as the Department may prescribe.

19 Whenever the Department determines that a refund should be  
20 made under this Section to a claimant instead of issuing a  
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 the notification  
24 from the Department. The refund shall be paid by the State  
25 Treasurer out of the home rule county retailers' occupation  
26 tax fund or the Local Government Aviation Trust Fund, as



1 appropriate.

2 Except as otherwise provided in this paragraph, the  
3 Department shall forthwith pay over to the State Treasurer, ex  
4 officio, as trustee, all taxes and penalties collected  
5 hereunder for deposit into the Home Rule County Retailers'  
6 Occupation Tax Fund. Taxes and penalties collected on aviation  
7 fuel sold on or after December 1, 2019, shall be immediately  
8 paid over by the Department to the State Treasurer, ex  
9 officio, as trustee, for deposit into the Local Government  
10 Aviation Trust Fund. The Department shall only pay moneys into  
11 the Local Government Aviation Trust Fund under this Section  
12 for so long as the revenue use requirements of 49 U.S.C.  
13 47107(b) and 49 U.S.C. 47133 are binding on the county.

14 As soon as possible after the first day of each month,  
15 beginning January 1, 2011, upon certification of the  
16 Department of Revenue, the Comptroller shall order  
17 transferred, and the Treasurer shall transfer, to the STAR  
18 Bonds Revenue Fund the local sales tax increment, as defined  
19 in the Innovation Development and Economy Act, collected under  
20 this Section during the second preceding calendar month for  
21 sales within a STAR bond district.

22 After the monthly transfer to the STAR Bonds Revenue Fund,  
23 on or before the 25th day of each calendar month, the  
24 Department shall prepare and certify to the Comptroller the  
25 disbursement of stated sums of money to named counties, the  
26 counties to be those from which retailers have paid taxes or

1 penalties hereunder to the Department during the second  
2 preceding calendar month. The amount to be paid to each county  
3 shall be the amount (not including credit memoranda and not  
4 including taxes and penalties collected on aviation fuel sold  
5 on or after December 1, 2019) collected hereunder during the  
6 second preceding calendar month by the Department plus an  
7 amount the Department determines is necessary to offset any  
8 amounts that were erroneously paid to a different taxing body,  
9 and not including an amount equal to the amount of refunds made  
10 during the second preceding calendar month by the Department  
11 on behalf of such county, and not including any amount which  
12 the Department determines is necessary to offset any amounts  
13 which were payable to a different taxing body but were  
14 erroneously paid to the county, and not including any amounts  
15 that are transferred to the STAR Bonds Revenue Fund, less 1.5%  
16 of the remainder, which the Department shall transfer into the  
17 Tax Compliance and Administration Fund. The Department, at the  
18 time of each monthly disbursement to the counties, shall  
19 prepare and certify to the State Comptroller the amount to be  
20 transferred into the Tax Compliance and Administration Fund  
21 under this Section. Within 10 days after receipt, by the  
22 Comptroller, of the disbursement certification to the counties  
23 and the Tax Compliance and Administration Fund provided for in  
24 this Section to be given to the Comptroller by the Department,  
25 the Comptroller shall cause the orders to be drawn for the  
26 respective amounts in accordance with the directions contained

1 in the certification.

2 In addition to the disbursement required by the preceding  
3 paragraph, an allocation shall be made in March of each year to  
4 each county that received more than \$500,000 in disbursements  
5 under the preceding paragraph in the preceding calendar year.  
6 The allocation shall be in an amount equal to the average  
7 monthly distribution made to each such county under the  
8 preceding paragraph during the preceding calendar year  
9 (excluding the 2 months of highest receipts). The distribution  
10 made in March of each year subsequent to the year in which an  
11 allocation was made pursuant to this paragraph and the  
12 preceding paragraph shall be reduced by the amount allocated  
13 and disbursed under this paragraph in the preceding calendar  
14 year. The Department shall prepare and certify to the  
15 Comptroller for disbursement the allocations made in  
16 accordance with this paragraph.

17 For the purpose of determining the local governmental unit  
18 whose tax is applicable, a retail sale by a producer of coal or  
19 other mineral mined in Illinois is a sale at retail at the  
20 place where the coal or other mineral mined in Illinois is  
21 extracted from the earth. This paragraph does not apply to  
22 coal or other 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 Nothing in this Section shall be construed to authorize a

1 county 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 this State.

4 An ordinance or resolution imposing or discontinuing a tax  
5 hereunder or effecting a change in the rate thereof shall be  
6 adopted and a certified copy thereof filed with the Department  
7 on or before the first day of June, whereupon the Department  
8 shall proceed to administer and enforce this Section as of the  
9 first day of September next following such adoption and  
10 filing. Beginning January 1, 1992, an ordinance or resolution  
11 imposing or discontinuing the tax hereunder or effecting a  
12 change in the rate thereof shall be adopted and a certified  
13 copy thereof filed with the Department on or before the first  
14 day of July, whereupon the Department shall proceed to  
15 administer and enforce this Section as of the first day of  
16 October next following such adoption and filing. Beginning  
17 January 1, 1993, an ordinance or resolution imposing or  
18 discontinuing the tax hereunder or effecting a change in the  
19 rate thereof shall be adopted and a certified copy thereof  
20 filed with the Department on or before the first day of  
21 October, whereupon the Department shall proceed to administer  
22 and enforce this Section as of the first day of January next  
23 following such adoption and filing. Beginning April 1, 1998,  
24 an ordinance or resolution imposing or discontinuing the tax  
25 hereunder or effecting a change in the rate thereof shall  
26 either (i) be adopted and a certified copy thereof filed with

1 the Department on or before the first day of April, whereupon  
2 the Department shall proceed to administer and enforce this  
3 Section as of the first day of July next following the adoption  
4 and filing; or (ii) be adopted and a certified copy thereof  
5 filed with the Department on or before the first day of  
6 October, whereupon the Department shall proceed to administer  
7 and enforce this Section as of the first day of January next  
8 following the adoption and filing.

9 When certifying the amount of a monthly disbursement to a  
10 county under this Section, the Department shall increase or  
11 decrease such 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 This Section shall be known and may be cited as the Home  
16 Rule County Retailers' Occupation Tax Law.

17 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
18 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

19 (55 ILCS 5/5-1006.5)

20 Sec. 5-1006.5. Special County Retailers' Occupation Tax  
21 For Public Safety, Public Facilities, Mental Health, Substance  
22 Abuse, or Transportation.

23 (a) The county board of any county may impose a tax upon  
24 all persons engaged in the business of selling tangible  
25 personal property, other than personal property titled or

1 registered with an agency of this State's government, at  
2 retail in the county on the gross receipts from the sales made  
3 in the course of business to provide revenue to be used  
4 exclusively for public safety, public facility, mental health,  
5 substance abuse, or transportation purposes in that county  
6 (except as otherwise provided in this Section), if a  
7 proposition for the tax has been submitted to the electors of  
8 that county and approved by a majority of those voting on the  
9 question. If imposed, this tax shall be imposed only in  
10 one-quarter percent increments. By resolution, the county  
11 board may order the proposition to be submitted at any  
12 election. If the tax is imposed for transportation purposes  
13 for expenditures for public highways or as authorized under  
14 the Illinois Highway Code, the county board must publish  
15 notice of the existence of its long-range highway  
16 transportation plan as required or described in Section 5-301  
17 of the Illinois Highway Code and must make the plan publicly  
18 available prior to approval of the ordinance or resolution  
19 imposing the tax. If the tax is imposed for transportation  
20 purposes for expenditures for passenger rail transportation,  
21 the county board must publish notice of the existence of its  
22 long-range passenger rail transportation plan and must make  
23 the plan publicly available prior to approval of the ordinance  
24 or resolution imposing the tax.

25 If a tax is imposed for public facilities purposes, then  
26 the name of the project may be included in the proposition at

1 the discretion of the county board as determined in the  
2 enabling resolution. For example, the "XXX Nursing Home" or  
3 the "YYY Museum".

4 The county clerk shall certify the question to the proper  
5 election authority, who shall submit the proposition at an  
6 election in accordance with the general election law.

7 (1) The proposition for public safety purposes shall  
8 be in substantially the following form:

9 "To pay for public safety purposes, shall (name of  
10 county) be authorized to impose an increase on its share  
11 of local sales taxes by (insert rate)?"

12 As additional information on the ballot below the  
13 question shall appear the following:

14 "This would mean that a consumer would pay an  
15 additional (insert amount) in sales tax for every \$100 of  
16 tangible personal property bought at retail."

17 The county board may also opt to establish a sunset  
18 provision at which time the additional sales tax would  
19 cease being collected, if not terminated earlier by a vote  
20 of the county board. If the county board votes to include a  
21 sunset provision, the proposition for public safety  
22 purposes shall be in substantially the following form:

23 "To pay for public safety purposes, shall (name of  
24 county) be authorized to impose an increase on its share  
25 of local sales taxes by (insert rate) for a period not to  
26 exceed (insert number of years)?"

1           As additional information on the ballot below the  
2 question shall appear the following:

3           "This would mean that a consumer would pay an  
4 additional (insert amount) in sales tax for every \$100 of  
5 tangible personal property bought at retail. If imposed,  
6 the additional tax would cease being collected at the end  
7 of (insert number of years), if not terminated earlier by  
8 a vote of the county board."

9           For the purposes of the paragraph, "public safety  
10 purposes" means crime prevention, detention, fire  
11 fighting, police, medical, ambulance, or other emergency  
12 services.

13           Votes shall be recorded as "Yes" or "No".

14           Beginning on the January 1 or July 1, whichever is  
15 first, that occurs not less than 30 days after May 31, 2015  
16 (the effective date of Public Act 99-4), Adams County may  
17 impose a public safety retailers' occupation tax and  
18 service occupation tax at the rate of 0.25%, as provided  
19 in the referendum approved by the voters on April 7, 2015,  
20 notwithstanding the omission of the additional information  
21 that is otherwise required to be printed on the ballot  
22 below the question pursuant to this item (1).

23           (2) The proposition for transportation purposes shall  
24 be in substantially the following form:

25           "To pay for improvements to roads and other  
26 transportation purposes, shall (name of county) be



1 authorized to impose an increase on its share of local  
2 sales taxes by (insert rate)?"

3 As additional information on the ballot below the  
4 question shall appear the following:

5 "This would mean that a consumer would pay an  
6 additional (insert amount) in sales tax for every \$100 of  
7 tangible personal property bought at retail."

8 The county board may also opt to establish a sunset  
9 provision at which time the additional sales tax would  
10 cease being collected, if not terminated earlier by a vote  
11 of the county board. If the county board votes to include a  
12 sunset provision, the proposition for transportation  
13 purposes shall be in substantially the following form:

14 "To pay for road improvements and other transportation  
15 purposes, shall (name of county) be authorized to impose  
16 an increase on its share of local sales taxes by (insert  
17 rate) for a period not to exceed (insert number of  
18 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 this paragraph, transportation  
2           purposes means construction, maintenance, operation, and  
3           improvement of public highways, any other purpose for  
4           which a county may expend funds under the Illinois Highway  
5           Code, and passenger rail transportation.

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

7           (3) The proposition for public facilities purposes  
8           shall be in substantially the following form:

9           "To pay for public facilities purposes, shall (name of  
10          county) be authorized to impose an increase on its share  
11          of local sales taxes by (insert rate)?"

12          As additional information on the ballot below the  
13          question shall appear the following:

14          "This would mean that a consumer would pay an  
15          additional (insert amount) in sales tax for every \$100 of  
16          tangible personal property bought at retail."

17          The county board may also opt to establish a sunset  
18          provision at which time the additional sales tax would  
19          cease being collected, if not terminated earlier by a vote  
20          of the county board. If the county board votes to include a  
21          sunset provision, the proposition for public facilities  
22          purposes shall be in substantially the following form:

23          "To pay for public facilities purposes, shall (name of  
24          county) be authorized to impose an increase on its share  
25          of local sales taxes by (insert rate) for a period not to  
26          exceed (insert number of years)?"

1           As additional information on the ballot below the  
2 question shall appear the following:

3           "This would mean that a consumer would pay an  
4 additional (insert amount) in sales tax for every \$100 of  
5 tangible personal property bought at retail. If imposed,  
6 the additional tax would cease being collected at the end  
7 of (insert number of years), if not terminated earlier by  
8 a vote of the county board."

9           For purposes of this Section, "public facilities  
10 purposes" means the acquisition, development,  
11 construction, reconstruction, rehabilitation,  
12 improvement, financing, architectural planning, and  
13 installation of capital facilities consisting of  
14 buildings, structures, and durable equipment and for the  
15 acquisition and improvement of real property and interest  
16 in real property required, or expected to be required, in  
17 connection with the public facilities, for use by the  
18 county for the furnishing of governmental services to its  
19 citizens, including, but not limited to, museums and  
20 nursing homes.

21           The votes shall be recorded as "Yes" or "No".

22           (4) The proposition for mental health purposes shall  
23 be in substantially the following form:

24           "To pay for mental health purposes, shall (name of  
25 county) be authorized to impose an increase on its share  
26 of local sales taxes by (insert rate)?"

1           As additional information on the ballot below the  
2 question shall appear the following:

3           "This would mean that a consumer would pay an  
4 additional (insert amount) in sales tax for every \$100 of  
5 tangible personal property bought at retail."

6           The county board may also opt to establish a sunset  
7 provision at which time the additional sales tax would  
8 cease being collected, if not terminated earlier by a vote  
9 of the county board. If the county board votes to include a  
10 sunset provision, the proposition for public facilities  
11 purposes shall be in substantially the following form:

12           "To pay for mental health purposes, shall (name of  
13 county) be authorized to impose an increase on its share  
14 of local sales taxes by (insert rate) for a period not to  
15 exceed (insert number of years)?"

16           As additional information on the ballot below the  
17 question shall appear the following:

18           "This would mean that a consumer would pay an  
19 additional (insert amount) in sales tax for every \$100 of  
20 tangible personal property bought at retail. If imposed,  
21 the additional tax would cease being collected at the end  
22 of (insert number of years), if not terminated earlier by  
23 a vote of the county board."

24           The votes shall be recorded as "Yes" or "No".

25           (5) The proposition for substance abuse purposes shall  
26 be in substantially the following form:

1            "To pay for substance abuse 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 substance abuse 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           The votes shall be recorded as "Yes" or "No".

2           If a majority of the electors voting on the proposition  
3 vote in favor of it, the county may impose the tax. A county  
4 may not submit more than one proposition authorized by this  
5 Section to the electors at any one time.

6           This additional tax may not be imposed on tangible  
7 personal property taxed at the 1% rate under the Retailers'  
8 Occupation Tax Act (or at the 0% rate imposed under this  
9 amendatory Act of the 102nd General Assembly). Beginning  
10 December 1, 2019 and through December 31, 2020, this tax is not  
11 imposed on sales of aviation fuel unless the tax revenue is  
12 expended for airport-related purposes. If the county does not  
13 have an airport-related purpose to which it dedicates aviation  
14 fuel tax revenue, then aviation fuel is excluded from the tax.  
15 The county must comply with the certification requirements for  
16 airport-related purposes under Section 2-22 of the Retailers'  
17 Occupation Tax Act. For purposes of this Section,  
18 "airport-related purposes" has the meaning ascribed in Section  
19 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
20 this tax is not imposed on sales of aviation fuel for so long  
21 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
22 U.S.C. 47133 are binding on the county. The tax imposed by a  
23 county under this Section and all civil penalties that may be  
24 assessed as an incident of the tax shall be collected and  
25 enforced by the Illinois Department of Revenue and deposited  
26 into a special fund created for that purpose. The certificate

1 of registration that is issued by the Department to a retailer  
2 under the Retailers' Occupation Tax Act shall permit the  
3 retailer to engage in a business that is taxable without  
4 registering separately with the Department under an ordinance  
5 or resolution under this Section. The Department has full  
6 power to administer and enforce this Section, to collect all  
7 taxes and penalties due under this Section, to dispose of  
8 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 a tax or penalty  
11 under this Section. In the administration of and compliance  
12 with this Section, the Department and persons who are subject  
13 to this Section shall (i) have the same rights, remedies,  
14 privileges, immunities, powers, and duties, (ii) be subject to  
15 the same conditions, restrictions, limitations, penalties, and  
16 definitions of terms, and (iii) employ the same modes of  
17 procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e,  
18 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all  
19 provisions contained in those Sections other than the State  
20 rate of tax), 2a, 2b, 2c, 3 (except provisions relating to  
21 transaction returns and quarter monthly payments, and except  
22 that the retailer's discount is not allowed for taxes paid on  
23 aviation fuel that are deposited into the Local Government  
24 Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
25 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13  
26 of the Retailers' Occupation Tax Act and Section 3-7 of the

1 Uniform Penalty and Interest Act as if those provisions were  
2 set forth in this Section.

3 Persons subject to any tax imposed under the authority  
4 granted in this Section may reimburse themselves for their  
5 sellers' tax liability by separately stating the tax as an  
6 additional charge, which charge may be stated in combination,  
7 in a single amount, with State tax which sellers are required  
8 to collect under the Use Tax Act, pursuant to such bracketed  
9 schedules as the Department may prescribe.

10 Whenever the Department determines that a refund should be  
11 made under this Section to a claimant instead of issuing a  
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 the notification  
15 from the Department. The refund shall be paid by the State  
16 Treasurer out of the County Public Safety, Public Facilities,  
17 Mental Health, Substance Abuse, or Transportation Retailers'  
18 Occupation Tax Fund or the Local Government Aviation Trust  
19 Fund, as appropriate.

20 (b) If a tax has been imposed under subsection (a), a  
21 service occupation tax shall also be imposed at the same rate  
22 upon all persons engaged, in the county, in the business of  
23 making sales of service, who, as an incident to making those  
24 sales of service, transfer tangible personal property within  
25 the county as an incident to a sale of service. This tax may  
26 not be imposed on tangible personal property taxed at the 1%



1 rate under the Service Occupation Tax Act (or at the 0% rate  
2 imposed under this amendatory Act of the 102nd General  
3 Assembly). 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 tax imposed under this subsection and all civil penalties  
17 that may be assessed as an incident thereof shall be collected  
18 and enforced by the Department of Revenue. The Department has  
19 full power to administer and enforce this subsection; to  
20 collect all taxes and penalties due hereunder; to dispose of  
21 taxes and penalties so collected 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 hereunder. In the administration of and compliance with this  
25 subsection, the Department and persons who are subject to this  
26 paragraph shall (i) have the same rights, remedies,

1 privileges, immunities, powers, and duties, (ii) be subject to  
2 the same conditions, restrictions, limitations, penalties,  
3 exclusions, exemptions, and definitions of terms, and (iii)  
4 employ the same modes of procedure as are prescribed in  
5 Sections 2 (except that the reference to State in the  
6 definition of supplier maintaining a place of business in this  
7 State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in  
8 respect to all provisions therein other than the State rate of  
9 tax), 4 (except that the reference to the State shall be to the  
10 county), 5, 7, 8 (except that the jurisdiction to which the tax  
11 shall be a debt to the extent indicated in that Section 8 shall  
12 be the county), 9 (except as to the disposition of taxes and  
13 penalties collected, and except that the retailer's discount  
14 is not allowed for taxes paid on aviation fuel that are  
15 deposited into the Local Government Aviation Trust Fund), 10,  
16 11, 12 (except the reference therein to Section 2b of the  
17 Retailers' Occupation Tax Act), 13 (except that any reference  
18 to the State shall mean the county), Section 15, 16, 17, 18,  
19 19, and 20 of the Service Occupation Tax Act, and Section 3-7  
20 of the Uniform Penalty and Interest Act, as fully as if those  
21 provisions were set forth herein.

22 Persons subject to any tax imposed under the authority  
23 granted in this subsection may reimburse themselves for their  
24 serviceman's tax liability 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 that servicemen are

1 authorized to collect under the Service Use Tax Act, in  
2 accordance with such bracket schedules as the Department may  
3 prescribe.

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 warrant 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 County Public Safety, Public Facilities,  
11 Mental Health, Substance Abuse, or Transportation Retailers'  
12 Occupation Fund or the Local Government Aviation Trust Fund,  
13 as appropriate.

14 Nothing in this subsection shall be construed to authorize  
15 the county to impose a tax upon the privilege of engaging in  
16 any business which under the Constitution of the United States  
17 may not be made the subject of taxation by the State.

18 (b-5) If, on January 1, 2025, a unit of local government  
19 has in effect a tax under this Section, or if, after January 1,  
20 2025, a unit of local government imposes a tax under this  
21 Section, then that tax applies to leases of tangible personal  
22 property in effect, entered into, or renewed on or after that  
23 date in the same manner as the tax under this Section and in  
24 accordance with the changes made by this amendatory Act of the  
25 103rd General Assembly.

26 (c) Except as otherwise provided in this paragraph, the

1 Department shall immediately pay over to the State Treasurer,  
2 ex officio, as trustee, all taxes and penalties collected  
3 under this Section to be deposited into the County Public  
4 Safety, Public Facilities, Mental Health, Substance Abuse, or  
5 Transportation Retailers' Occupation Tax Fund, which shall be  
6 an unappropriated trust fund held outside of the State  
7 treasury. Taxes and penalties collected on aviation fuel sold  
8 on or after December 1, 2019 and through December 31, 2020,  
9 shall be immediately paid over by the Department to the State  
10 Treasurer, ex officio, as trustee, for deposit into the Local  
11 Government Aviation Trust Fund. The Department shall only pay  
12 moneys into the Local Government Aviation Trust Fund under  
13 this Act for so long as the revenue use requirements of 49  
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

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 counties from

1 which retailers have paid taxes or penalties to the Department  
2 during the second preceding calendar month. The amount to be  
3 paid to each county, and deposited by the county into its  
4 special fund created for the purposes of this Section, shall  
5 be the amount (not including credit memoranda and not  
6 including taxes and penalties collected on aviation fuel sold  
7 on or after December 1, 2019 and through December 31, 2020)  
8 collected under this Section during the second preceding  
9 calendar month by the Department plus an amount the Department  
10 determines is necessary to offset any amounts that were  
11 erroneously paid to a different taxing body, and not including  
12 (i) an amount equal to the amount of refunds made during the  
13 second preceding calendar month by the Department on behalf of  
14 the county, (ii) any amount that the Department determines is  
15 necessary to offset any amounts that were payable to a  
16 different taxing body but were erroneously paid to the county,  
17 (iii) any amounts that are transferred to the STAR Bonds  
18 Revenue Fund, and (iv) 1.5% of the remainder, which shall be  
19 transferred into the Tax Compliance and Administration Fund.  
20 The Department, at the time of each monthly disbursement to  
21 the counties, shall prepare and certify to the State  
22 Comptroller the amount to be transferred into the Tax  
23 Compliance and Administration Fund under this subsection.  
24 Within 10 days after receipt by the Comptroller of the  
25 disbursement certification to the counties and the Tax  
26 Compliance and Administration Fund provided for in this

1 Section to be given to the Comptroller by the Department, the  
2 Comptroller shall cause the orders to be drawn for the  
3 respective amounts in accordance with directions contained in  
4 the certification.

5 In addition to the disbursement required by the preceding  
6 paragraph, an allocation shall be made in March of each year to  
7 each county that received more than \$500,000 in disbursements  
8 under the preceding paragraph in the preceding calendar year.  
9 The allocation shall be in an amount equal to the average  
10 monthly distribution made to each such county under the  
11 preceding paragraph during the preceding calendar year  
12 (excluding the 2 months of highest receipts). The distribution  
13 made in March of each year subsequent to the year in which an  
14 allocation was made pursuant to this paragraph and the  
15 preceding paragraph shall be reduced by the amount allocated  
16 and disbursed under this paragraph in the preceding calendar  
17 year. The Department shall prepare and certify to the  
18 Comptroller for disbursement the allocations made in  
19 accordance with this paragraph.

20 (d) For the purpose of determining the local governmental  
21 unit whose tax is applicable, a retail sale by a producer of  
22 coal or another mineral mined in Illinois is a sale at retail  
23 at the place where the coal or other mineral mined in Illinois  
24 is extracted from the earth. This paragraph does not apply to  
25 coal or another mineral when it is delivered or shipped by the  
26 seller to the purchaser at a point outside Illinois so that the

1 sale is exempt under the United States Constitution as a sale  
2 in interstate or foreign commerce.

3 (e) Nothing in this Section shall be construed to  
4 authorize a county 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 (e-5) If a county imposes a tax under this Section, the  
9 county board may, by ordinance, discontinue or lower the rate  
10 of the tax. If the county board lowers the tax rate or  
11 discontinues the tax, a referendum must be held in accordance  
12 with subsection (a) of this Section in order to increase the  
13 rate of the tax or to reimpose the discontinued tax.

14 (f) Beginning April 1, 1998 and through December 31, 2013,  
15 the results of any election authorizing a proposition to  
16 impose a tax under this Section or effecting a change in the  
17 rate of tax, or any ordinance lowering the rate or  
18 discontinuing the tax, shall be certified by the county clerk  
19 and filed with the Illinois Department of Revenue either (i)  
20 on or before the first day of April, whereupon the Department  
21 shall proceed to administer and enforce the tax as of the first  
22 day of July next following the filing; or (ii) on or before the  
23 first day of October, whereupon the Department shall proceed  
24 to administer and enforce the tax as of the first day of  
25 January next following the filing.

26 Beginning January 1, 2014, the results of any election

1 authorizing a proposition to impose a tax under this Section  
2 or effecting an increase in the rate of tax, along with the  
3 ordinance adopted to impose the tax or increase the rate of the  
4 tax, or any ordinance adopted to lower the rate or discontinue  
5 the tax, shall be certified by the county clerk and filed with  
6 the Illinois Department of Revenue either (i) on or before the  
7 first day of May, whereupon the Department shall proceed to  
8 administer and enforce the tax as of the first day of July next  
9 following the adoption and filing; or (ii) on or before the  
10 first day of October, whereupon the Department shall proceed  
11 to administer and enforce the tax as of the first day of  
12 January next following the adoption and filing.

13 (g) When certifying the amount of a monthly disbursement  
14 to a county under this Section, the Department shall increase  
15 or decrease the amounts by an amount necessary to offset any  
16 miscalculation of previous disbursements. The offset amount  
17 shall be the amount erroneously disbursed within the previous  
18 6 months from the time a miscalculation is discovered.

19 (g-5) Every county authorized to levy a tax under this  
20 Section shall, before it levies such tax, establish a 7-member  
21 mental health board, which shall have the same powers and  
22 duties and be constituted in the same manner as a community  
23 mental health board established under the Community Mental  
24 Health Act. Proceeds of the tax under this Section that are  
25 earmarked for mental health or substance abuse purposes shall  
26 be deposited into a special county occupation tax fund for



1 mental health and substance abuse. The 7-member mental health  
2 board established under this subsection shall administer the  
3 special county occupation tax fund for mental health and  
4 substance abuse in the same manner as the community mental  
5 health board administers the community mental health fund  
6 under the Community Mental Health Act.

7 (h) This Section may be cited as the "Special County  
8 Occupation Tax For Public Safety, Public Facilities, Mental  
9 Health, Substance Abuse, or Transportation Law".

10 (i) For purposes of this Section, "public safety"  
11 includes, but is not limited to, crime prevention, detention,  
12 fire fighting, police, medical, ambulance, or other emergency  
13 services. The county may share tax proceeds received under  
14 this Section for public safety purposes, including proceeds  
15 received before August 4, 2009 (the effective date of Public  
16 Act 96-124), with any fire protection district located in the  
17 county. For the purposes of this Section, "transportation"  
18 includes, but is not limited to, the construction,  
19 maintenance, operation, and improvement of public highways,  
20 any other purpose for which a county may expend funds under the  
21 Illinois Highway Code, and passenger rail transportation. For  
22 the purposes of this Section, "public facilities purposes"  
23 includes, but is not limited to, the acquisition, development,  
24 construction, reconstruction, rehabilitation, improvement,  
25 financing, architectural planning, and installation of capital  
26 facilities consisting of buildings, structures, and durable

1 equipment and for the acquisition and improvement of real  
2 property and interest in real property required, or expected  
3 to be required, in connection with the public facilities, for  
4 use by the county for the furnishing of governmental services  
5 to its citizens, including, but not limited to, museums and  
6 nursing homes.

7 (j) The Department may promulgate rules to implement  
8 Public Act 95-1002 only to the extent necessary to apply the  
9 existing rules for the Special County Retailers' Occupation  
10 Tax for Public Safety to this new purpose for public  
11 facilities.

12 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
13 101-275, eff. 8-9-19; 101-604, eff. 12-13-19; 102-379, eff.  
14 1-1-22; 102-700, eff. 4-19-22.)

15 (55 ILCS 5/5-1006.7)

16 Sec. 5-1006.7. School facility and resources occupation  
17 taxes.

18 (a) In any county, a tax shall be imposed upon all persons  
19 engaged in the business of selling tangible personal property,  
20 other than personal property titled or registered with an  
21 agency of this State's government, at retail in the county on  
22 the gross receipts from the sales made in the course of  
23 business to provide revenue to be used exclusively for (i)  
24 school facility purposes (except as otherwise provided in this  
25 Section), (ii) school resource officers and mental health

1 professionals, or (iii) school facility purposes, school  
2 resource officers, and mental health professionals if a  
3 proposition for the tax has been submitted to the electors of  
4 that county and approved by a majority of those voting on the  
5 question as provided in subsection (c). The tax under this  
6 Section shall be imposed only in one-quarter percent  
7 increments and may not exceed 1%.

8 This additional tax may not be imposed on tangible  
9 personal property taxed at the 1% rate under the Retailers'  
10 Occupation Tax Act (or at the 0% rate imposed under Public Act  
11 102-700). Beginning December 1, 2019 and through December 31,  
12 2020, this tax is not imposed on sales of aviation fuel unless  
13 the tax revenue is expended for airport-related purposes. If  
14 the county does not have an airport-related purpose to which  
15 it dedicates aviation fuel tax revenue, then aviation fuel is  
16 excluded from the tax. The county must comply with the  
17 certification requirements for airport-related purposes under  
18 Section 2-22 of the Retailers' Occupation Tax Act. For  
19 purposes of this Section, "airport-related purposes" has the  
20 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
21 Beginning January 1, 2021, this tax is not imposed on sales of  
22 aviation fuel for so long as the revenue use requirements of 49  
23 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.  
24 The Department of Revenue has full power to administer and  
25 enforce this subsection, to collect all taxes and penalties  
26 due under this subsection, to dispose of taxes and penalties

1 so collected in the manner provided in this subsection, and to  
2 determine all rights to credit memoranda arising on account of  
3 the erroneous payment of a tax or penalty under this  
4 subsection. The Department shall deposit all taxes and  
5 penalties collected under this subsection into a special fund  
6 created for that purpose.

7 In the administration of and compliance with this  
8 subsection, the Department and persons who are subject to this  
9 subsection (i) have the same rights, remedies, privileges,  
10 immunities, powers, and duties, (ii) are subject to the same  
11 conditions, restrictions, limitations, penalties, and  
12 definitions of terms, and (iii) shall employ the same modes of  
13 procedure as are set forth in Sections 1 through 1o, 2 through  
14 2-70 (in respect to all provisions contained in those Sections  
15 other than the State rate of tax), 2a through 2h, 3 (except as  
16 to the disposition of taxes and penalties collected, and  
17 except that the retailer's discount is not allowed for taxes  
18 paid on aviation fuel that are subject to the revenue use  
19 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
20 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,  
21 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
22 Occupation Tax Act and all provisions of the Uniform Penalty  
23 and Interest Act as if those provisions were set forth in this  
24 subsection.

25 The certificate of registration that is issued by the  
26 Department to a retailer under the Retailers' Occupation Tax

1 Act permits the retailer to engage in a business that is  
2 taxable without registering separately with the Department  
3 under an ordinance or resolution under this subsection.

4 Persons subject to any tax imposed under the authority  
5 granted in this subsection may reimburse themselves for their  
6 seller's tax liability by separately stating that tax as an  
7 additional charge, which may be stated in combination, in a  
8 single amount, with State tax that sellers are required to  
9 collect under the Use Tax Act, pursuant to any bracketed  
10 schedules set forth by the Department.

11 (b) If a tax has been imposed under subsection (a), then a  
12 service occupation tax must also be imposed at the same rate  
13 upon all persons engaged, in the county, in the business of  
14 making sales of service, who, as an incident to making those  
15 sales of service, transfer tangible personal property within  
16 the county as an incident to a sale of service.

17 This tax may not be imposed on tangible personal property  
18 taxed at the 1% rate under the Service Occupation Tax Act (or  
19 at the 0% rate imposed under Public Act 102-700). Beginning  
20 December 1, 2019 and through December 31, 2020, this tax is not  
21 imposed on sales of aviation fuel unless the tax revenue is  
22 expended for airport-related purposes. If the county does not  
23 have an airport-related purpose to which it dedicates aviation  
24 fuel tax revenue, then aviation fuel is excluded from the tax.  
25 The county must comply with the certification requirements for  
26 airport-related purposes under Section 2-22 of the Retailers'

1 Occupation Tax Act. For purposes of this Section,  
2 "airport-related purposes" has the meaning ascribed in Section  
3 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
4 this tax is not imposed on sales of aviation fuel 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 county.

7 The tax imposed under this subsection and all civil  
8 penalties that may be assessed as an incident thereof shall be  
9 collected and enforced by the Department and deposited into a  
10 special fund created for that purpose. The Department has full  
11 power to administer and enforce this subsection, to collect  
12 all taxes and penalties due under this subsection, to dispose  
13 of taxes and penalties so collected in the manner provided in  
14 this subsection, and to determine all rights to credit  
15 memoranda arising on account of the erroneous payment of a tax  
16 or penalty under this subsection.

17 In the administration of and compliance with this  
18 subsection, the Department and persons who are subject to this  
19 subsection shall (i) have the same rights, remedies,  
20 privileges, immunities, powers and duties, (ii) be subject to  
21 the same conditions, restrictions, limitations, penalties and  
22 definition of terms, and (iii) employ the same modes of  
23 procedure as are set forth in Sections 2 (except that that  
24 reference to State in the definition of supplier maintaining a  
25 place of business in this State means the county), 2a through  
26 2d, 3 through 3-50 (in respect to all provisions contained in

1 those Sections other than the State rate of tax), 4 (except  
2 that the reference to the State shall be to the county), 5, 7,  
3 8 (except that the jurisdiction to which the tax is a debt to  
4 the extent indicated in that Section 8 is the county), 9  
5 (except as to the disposition of taxes and penalties  
6 collected, and except that the retailer's discount is not  
7 allowed for taxes paid on aviation fuel that are subject to the  
8 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
9 47133), 10, 11, 12 (except the reference therein to Section 2b  
10 of the Retailers' Occupation Tax Act), 13 (except that any  
11 reference to the State means the county), 15, 16, 17, 18, 19,  
12 and 20 of the Service Occupation Tax Act and all provisions of  
13 the Uniform Penalty and Interest Act, as fully as if those  
14 provisions were set forth herein.

15 Persons subject to any tax imposed under the authority  
16 granted in this subsection may reimburse themselves for their  
17 serviceman's tax liability by separately stating the tax as an  
18 additional charge, which may be stated in combination, in a  
19 single amount, with State tax that servicemen are authorized  
20 to collect under the Service Use Tax Act, pursuant to any  
21 bracketed schedules set forth by the Department.

22 (b-5) If, on January 1, 2025, a unit of local government  
23 has in effect a tax under this Section, or if, after January 1,  
24 2025, a unit of local government imposes a tax under this  
25 Section, then that tax applies to leases of tangible personal  
26 property in effect, entered into, or renewed on or after that

1 date in the same manner as the tax under this Section and in  
2 accordance with the changes made by this amendatory Act of the  
3 103rd General Assembly.

4 (c) The tax under this Section may not be imposed until the  
5 question of imposing the tax has been submitted to the  
6 electors of the county at a regular election and approved by a  
7 majority of the electors voting on the question. For all  
8 regular elections held prior to August 23, 2011 (the effective  
9 date of Public Act 97-542), upon a resolution by the county  
10 board or a resolution by school district boards that represent  
11 at least 51% of the student enrollment within the county, the  
12 county board must certify the question to the proper election  
13 authority in accordance with the Election Code.

14 For all regular elections held prior to August 23, 2011  
15 (the effective date of Public Act 97-542), the election  
16 authority must submit the question in substantially the  
17 following form:

18 Shall (name of county) be authorized to impose a  
19 retailers' occupation tax and a service occupation tax  
20 (commonly referred to as a "sales tax") at a rate of  
21 (insert rate) to be used exclusively for school facility  
22 purposes?

23 The election authority must record the votes as "Yes" or  
24 "No".

25 If a majority of the electors voting on the question vote  
26 in the affirmative, then the county may, thereafter, impose



1 the tax.

2 For all regular elections held on or after August 23, 2011  
3 (the effective date of Public Act 97-542), the regional  
4 superintendent of schools for the county must, upon receipt of  
5 a resolution or resolutions of school district boards that  
6 represent more than 50% of the student enrollment within the  
7 county, certify the question to the proper election authority  
8 for submission to the electors of the county at the next  
9 regular election at which the question lawfully may be  
10 submitted to the electors, all in accordance with the Election  
11 Code.

12 For all regular elections held on or after August 23, 2011  
13 (the effective date of Public Act 97-542) and before August  
14 23, 2019 (the effective date of Public Act 101-455), the  
15 election authority must submit the question in substantially  
16 the following form:

17 Shall a retailers' occupation tax and a service  
18 occupation tax (commonly referred to as a "sales tax") be  
19 imposed in (name of county) at a rate of (insert rate) to  
20 be used exclusively for school facility purposes?

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 all regular elections held on or after August 23, 2019

1 (the effective date of Public Act 101-455), the election  
2 authority must submit the question as follows:

3 (1) If the referendum is to expand the use of revenues  
4 from a currently imposed tax exclusively for school  
5 facility purposes to include school resource officers and  
6 mental health professionals, the question shall be in  
7 substantially the following form:

8 In addition to school facility purposes, shall  
9 (name of county) school districts be authorized to use  
10 revenues from the tax commonly referred to as the  
11 school facility sales tax that is currently imposed in  
12 (name of county) at a rate of (insert rate) for school  
13 resource officers and mental health professionals?

14 (2) If the referendum is to increase the rate of a tax  
15 currently imposed exclusively for school facility purposes  
16 at less than 1% and dedicate the additional revenues for  
17 school resource officers and mental health professionals,  
18 the question shall be in substantially the following form:

19 Shall the tax commonly referred to as the school  
20 facility sales tax that is currently imposed in (name  
21 of county) at the rate of (insert rate) be increased to  
22 a rate of (insert rate) with the additional revenues  
23 used exclusively for school resource officers and  
24 mental health professionals?

25 (3) If the referendum is to impose a tax in a county  
26 that has not previously imposed a tax under this Section

1 exclusively for school facility purposes, the question  
2 shall be in substantially the following form:

3 Shall a retailers' occupation tax and a service  
4 occupation tax (commonly referred to as a sales tax)  
5 be imposed in (name of county) at a rate of (insert  
6 rate) to be used exclusively for school facility  
7 purposes?

8 (4) If the referendum is to impose a tax in a county  
9 that has not previously imposed a tax under this Section  
10 exclusively for school resource officers and mental health  
11 professionals, the question shall be in substantially the  
12 following form:

13 Shall a retailers' occupation tax and a service  
14 occupation tax (commonly referred to as a sales tax)  
15 be imposed in (name of county) at a rate of (insert  
16 rate) to be used exclusively for school resource  
17 officers and mental health professionals?

18 (5) If the referendum is to impose a tax in a county  
19 that has not previously imposed a tax under this Section  
20 exclusively for school facility purposes, school resource  
21 officers, and mental health professionals, the question  
22 shall be in substantially the following form:

23 Shall a retailers' occupation tax and a service  
24 occupation tax (commonly referred to as a sales tax)  
25 be imposed in (name of county) at a rate of (insert  
26 rate) to be used exclusively for school facility

1           purposes, school resource officers, and mental health  
2           professionals?

3           The election authority must record the votes as "Yes" or  
4           "No".

5           If a majority of the electors voting on the question vote  
6           in the affirmative, then the tax shall be imposed at the rate  
7           set forth in the question.

8           For the purposes of this subsection (c), "enrollment"  
9           means the head count of the students residing in the county on  
10          the last school day of September of each year, which must be  
11          reported on the Illinois State Board of Education Public  
12          School Fall Enrollment/Housing Report.

13          (d) Except as otherwise provided, the Department shall  
14          immediately pay over to the State Treasurer, ex officio, as  
15          trustee, all taxes and penalties collected under this Section  
16          to be deposited into the School Facility Occupation Tax Fund,  
17          which shall be an unappropriated trust fund held outside the  
18          State treasury. Taxes and penalties collected on aviation fuel  
19          sold on or after December 1, 2019 and through December 31,  
20          2020, shall be immediately paid over by the Department to the  
21          State Treasurer, ex officio, as trustee, for deposit into the  
22          Local Government Aviation Trust Fund. The Department shall  
23          only pay moneys into the Local Government Aviation Trust Fund  
24          under this Section 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          county.

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 the regional  
4 superintendents of schools in counties from which retailers or  
5 servicemen have paid taxes or penalties to the Department  
6 during the second preceding calendar month. The amount to be  
7 paid to each regional superintendent of schools and disbursed  
8 to him or her in accordance with Section 3-14.31 of the School  
9 Code, is equal to the amount (not including credit memoranda  
10 and not including taxes and penalties collected on aviation  
11 fuel sold on or after December 1, 2019 and through December 31,  
12 2020) collected from the county under this Section during the  
13 second preceding calendar month by the Department, (i) less 2%  
14 of that amount (except the amount collected on aviation fuel  
15 sold on or after December 1, 2019 and through December 31,  
16 2020), of which 50% shall be deposited into the Tax Compliance  
17 and Administration Fund and shall be used by the Department,  
18 subject to appropriation, to cover the costs of the Department  
19 in administering and enforcing the provisions of this Section,  
20 on behalf of the county, and 50% shall be distributed to the  
21 regional superintendent of schools to cover the costs in  
22 administering and enforcing the provisions of this Section;  
23 (ii) plus an amount that the Department determines is  
24 necessary to offset any amounts that were erroneously paid to  
25 a different taxing body; (iii) less an amount equal to the  
26 amount of refunds made during the second preceding calendar

1 month by the Department on behalf of the county; and (iv) less  
2 any amount that the Department determines is necessary to  
3 offset any amounts that were payable to a different taxing  
4 body but were erroneously paid to the county. When certifying  
5 the amount of a monthly disbursement to a regional  
6 superintendent of schools under this Section, the Department  
7 shall increase or decrease the amounts by an amount necessary  
8 to offset any miscalculation of previous disbursements within  
9 the previous 6 months from the time a miscalculation is  
10 discovered.

11 Within 10 days after receipt by the Comptroller from the  
12 Department of the disbursement certification to the regional  
13 superintendents of the schools provided for in this Section,  
14 the Comptroller shall cause the orders to be drawn for the  
15 respective amounts in accordance with directions contained in  
16 the certification.

17 If the Department determines that a refund should be made  
18 under this Section to a claimant instead of issuing a credit  
19 memorandum, then the Department shall notify the Comptroller,  
20 who shall cause the order to be drawn for the amount specified  
21 and to the person named in the notification from the  
22 Department. The refund shall be paid by the Treasurer out of  
23 the School Facility Occupation Tax Fund or the Local  
24 Government Aviation Trust Fund, as appropriate.

25 (e) For the purposes of determining the local governmental  
26 unit whose tax is applicable, a retail sale by a producer of

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

8 (f) Nothing in this Section may be construed to authorize  
9 a tax to be imposed upon the privilege of engaging in any  
10 business that under the Constitution of the United States may  
11 not be made the subject of taxation by this State.

12 (g) If a county board imposes a tax under this Section  
13 pursuant to a referendum held before August 23, 2011 (the  
14 effective date of Public Act 97-542) at a rate below the rate  
15 set forth in the question approved by a majority of electors of  
16 that county voting on the question as provided in subsection  
17 (c), then the county board may, by ordinance, increase the  
18 rate of the tax up to the rate set forth in the question  
19 approved by a majority of electors of that county voting on the  
20 question as provided in subsection (c). If a county board  
21 imposes a tax under this Section pursuant to a referendum held  
22 before August 23, 2011 (the effective date of Public Act  
23 97-542), then the board may, by ordinance, discontinue or  
24 reduce the rate of the tax. If a tax is imposed under this  
25 Section pursuant to a referendum held on or after August 23,  
26 2011 (the effective date of Public Act 97-542) and before

1 August 23, 2019 (the effective date of Public Act 101-455),  
2 then the county board may reduce or discontinue the tax, but  
3 only in accordance with subsection (h-5) of this Section. If a  
4 tax is imposed under this Section pursuant to a referendum  
5 held on or after August 23, 2019 (the effective date of Public  
6 Act 101-455), then the county board may reduce or discontinue  
7 the tax, but only in accordance with subsection (h-10). If,  
8 however, a school board issues bonds that are secured by the  
9 proceeds of the tax under this Section, then the county board  
10 may not reduce the tax rate or discontinue the tax if that rate  
11 reduction or discontinuance would adversely affect the school  
12 board's ability to pay the principal and interest on those  
13 bonds as they become due or necessitate the extension of  
14 additional property taxes to pay the principal and interest on  
15 those bonds. If the county board reduces the tax rate or  
16 discontinues the tax, then a referendum must be held in  
17 accordance with subsection (c) of this Section in order to  
18 increase the rate of the tax or to reimpose the discontinued  
19 tax.

20 Until January 1, 2014, the results of any election that  
21 imposes, reduces, or discontinues a tax under this Section  
22 must be certified by the election authority, and any ordinance  
23 that increases or lowers the rate or discontinues the tax must  
24 be certified by the county clerk and, in each case, filed with  
25 the Illinois Department of Revenue either (i) on or before the  
26 first day of April, whereupon the Department shall proceed to



1 administer and enforce the tax or change in the rate as of the  
2 first day of July next following the filing; or (ii) on or  
3 before the first day of October, whereupon the Department  
4 shall proceed to administer and enforce the tax or change in  
5 the rate as of the first day of January next following the  
6 filing.

7 Beginning January 1, 2014, the results of any election  
8 that imposes, reduces, or discontinues a tax under this  
9 Section must be certified by the election authority, and any  
10 ordinance that increases or lowers the rate or discontinues  
11 the tax must be certified by the county clerk and, in each  
12 case, filed with the Illinois Department of Revenue either (i)  
13 on or before the first day of May, whereupon the Department  
14 shall proceed to administer and enforce the tax or change in  
15 the rate as of the first day of July next following the filing;  
16 or (ii) on or before the first day of October, whereupon the  
17 Department shall proceed to administer and enforce the tax or  
18 change in the rate as of the first day of January next  
19 following the filing.

20 (h) For purposes of this Section, "school facility  
21 purposes" means (i) the acquisition, development,  
22 construction, reconstruction, rehabilitation, improvement,  
23 financing, architectural planning, and installation of capital  
24 facilities consisting of buildings, structures, and durable  
25 equipment and for the acquisition and improvement of real  
26 property and interest in real property required, or expected

1 to be required, in connection with the capital facilities and  
2 (ii) the payment of bonds or other obligations heretofore or  
3 hereafter issued, including bonds or other obligations  
4 heretofore or hereafter issued to refund or to continue to  
5 refund bonds or other obligations issued, for school facility  
6 purposes, provided that the taxes levied to pay those bonds  
7 are abated by the amount of the taxes imposed under this  
8 Section that are used to pay those bonds. "School facility  
9 purposes" also includes fire prevention, safety, energy  
10 conservation, accessibility, school security, and specified  
11 repair purposes set forth under Section 17-2.11 of the School  
12 Code.

13 (h-5) A county board in a county where a tax has been  
14 imposed under this Section pursuant to a referendum held on or  
15 after August 23, 2011 (the effective date of Public Act  
16 97-542) and before August 23, 2019 (the effective date of  
17 Public Act 101-455) may, by ordinance or resolution, submit to  
18 the voters of the county the question of reducing or  
19 discontinuing the tax. In the ordinance or resolution, the  
20 county board shall certify the question to the proper election  
21 authority in accordance with the Election Code. The election  
22 authority must submit the question in substantially the  
23 following form:

24 Shall the school facility retailers' occupation tax  
25 and service occupation tax (commonly referred to as the  
26 "school facility sales tax") currently imposed in (name of

1 county) at a rate of (insert rate) be (reduced to (insert  
2 rate)) (discontinued)?

3 If a majority of the electors voting on the question vote in  
4 the affirmative, then, subject to the provisions of subsection  
5 (g) of this Section, the tax shall be reduced or discontinued  
6 as set forth in the question.

7 (h-10) A county board in a county where a tax has been  
8 imposed under this Section pursuant to a referendum held on or  
9 after August 23, 2019 (the effective date of Public Act  
10 101-455) may, by ordinance or resolution, submit to the voters  
11 of the county the question of reducing or discontinuing the  
12 tax. In the ordinance or resolution, the county board shall  
13 certify the question to the proper election authority in  
14 accordance with the Election Code. The election authority must  
15 submit the question in substantially the following form:

16 Shall the school facility and resources retailers'  
17 occupation tax and service occupation tax (commonly  
18 referred to as the school facility and resources sales  
19 tax) currently imposed in (name of county) at a rate of  
20 (insert rate) be (reduced to (insert rate))  
21 (discontinued)?

22 The election authority must record the votes as "Yes" or  
23 "No".

24 If a majority of the electors voting on the question vote  
25 in the affirmative, then, subject to the provisions of  
26 subsection (g) of this Section, the tax shall be reduced or

1 discontinued as set forth in the question.

2 (i) This Section does not apply to Cook County.

3 (j) This Section may be cited as the County School  
4 Facility and Resources Occupation Tax Law.

5 (Source: P.A. 102-700, eff. 4-19-22; 102-1062, eff. 7-1-22;  
6 103-154, eff. 6-30-23.)

7 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

8 Sec. 5-1007. Home Rule County Service Occupation Tax Law.

9 The corporate authorities of a home rule county may impose a  
10 tax upon all persons engaged, in such county, in the business  
11 of making sales of service at the same rate of tax imposed  
12 pursuant to Section 5-1006 of the selling price of all  
13 tangible personal property transferred by such servicemen  
14 either in the form of tangible personal property or in the form  
15 of real estate as an incident to a sale of service. If imposed,  
16 such 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 Service 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  
25 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 changes made  
8 to this Section by this amendatory Act of the 101st General  
9 Assembly are a denial and limitation of home rule powers and  
10 functions under subsection (g) of Section 6 of Article VII of  
11 the Illinois Constitution. The tax imposed by a home rule  
12 county pursuant to this Section and all civil penalties that  
13 may be assessed as an incident thereof shall be collected and  
14 enforced by the State Department of Revenue. The certificate  
15 of registration which is issued by the Department to a  
16 retailer under the Retailers' Occupation Tax Act or under the  
17 Service Occupation Tax Act shall permit such registrant to  
18 engage in a business which is taxable under any ordinance or  
19 resolution enacted pursuant to this Section without  
20 registering separately with the Department under such  
21 ordinance or resolution or under this Section. The Department  
22 shall have full power to administer and enforce this Section;  
23 to collect all taxes and penalties due hereunder; to dispose  
24 of taxes and penalties so collected in the manner hereinafter  
25 provided; and to determine all rights to credit memoranda  
26 arising on account of the erroneous payment of tax or penalty

1 hereunder. In the administration of, and compliance with, this  
2 Section the Department and persons who are subject to this  
3 Section shall have the same rights, remedies, privileges,  
4 immunities, powers and duties, and be subject to the same  
5 conditions, restrictions, limitations, penalties and  
6 definitions of terms, and employ the same modes of procedure,  
7 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
8 respect to all provisions therein other than the State rate of  
9 tax), 4 (except that the reference to the State shall be to the  
10 taxing county), 5, 7, 8 (except that the jurisdiction to which  
11 the tax shall be a debt to the extent indicated in that Section  
12 8 shall be the taxing county), 9 (except as to the disposition  
13 of taxes and penalties collected, and except that the returned  
14 merchandise credit for this county tax may not be taken  
15 against any State tax, and except that the retailer's discount  
16 is not allowed for taxes paid on aviation fuel that are subject  
17 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
18 U.S.C. 47133), 10, 11, 12 (except the reference therein to  
19 Section 2b of the Retailers' Occupation Tax Act), 13 (except  
20 that any reference to the State shall mean the taxing county),  
21 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the  
22 Service Occupation Tax Act and Section 3-7 of the Uniform  
23 Penalty and Interest Act, as fully as if those provisions were  
24 set forth herein.

25 No tax may be imposed by a home rule county pursuant to  
26 this Section unless such county also imposes a tax at the same

1 rate pursuant to Section 5-1006.

2 If, on January 1, 2025, a unit of local government has in  
3 effect a tax under this Section, or if, after January 1, 2025,  
4 a unit of local government imposes a tax under this Section,  
5 then that tax applies to leases of tangible personal property  
6 in effect, entered into, or renewed on or after that date in  
7 the same manner as the tax under this Section and in accordance  
8 with the changes made by this amendatory Act of the 103rd  
9 General Assembly.

10 Persons subject to any tax imposed pursuant to the  
11 authority granted in this Section may reimburse themselves for  
12 their serviceman's tax liability hereunder by separately  
13 stating such tax as an additional charge, which charge may be  
14 stated in combination, in a single amount, with State tax  
15 which servicemen are authorized to collect under the Service  
16 Use Tax Act, pursuant to such bracket schedules as the  
17 Department may prescribe.

18 Whenever the Department determines that a refund should be  
19 made under this Section to a claimant instead of issuing  
20 credit memorandum, the Department shall notify the State  
21 Comptroller, who shall cause the order to be drawn for the  
22 amount specified, and to the person named, in such  
23 notification from the Department. Such refund shall be paid by  
24 the State Treasurer out of the home rule county retailers'  
25 occupation tax fund or the Local Government Aviation Trust  
26 Fund, as appropriate.

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 and penalties collected  
4 hereunder for deposit into the Home Rule County Retailers'  
5 Occupation Tax Fund. Taxes and penalties collected on aviation  
6 fuel sold on or after December 1, 2019, shall be immediately  
7 paid over by the Department to the State Treasurer, ex  
8 officio, as trustee, for deposit into the Local Government  
9 Aviation Trust Fund. The Department shall only pay moneys into  
10 the Local Government Aviation Trust Fund under this Section  
11 for so long as the revenue use requirements of 49 U.S.C.  
12 47107(b) and 49 U.S.C. 47133 are binding on the county.

13           As soon as possible after the first day of each month,  
14 beginning January 1, 2011, upon certification of the  
15 Department of Revenue, the Comptroller shall order  
16 transferred, and the Treasurer shall transfer, to the STAR  
17 Bonds Revenue Fund the local sales tax increment, as defined  
18 in the Innovation Development and Economy Act, collected under  
19 this Section during the second preceding calendar month for  
20 sales within a STAR bond district.

21           After the monthly transfer to the STAR Bonds Revenue Fund,  
22 on or before the 25th day of each calendar month, the  
23 Department shall prepare and certify to the Comptroller the  
24 disbursement of stated sums of money to named counties, the  
25 counties to be those from which suppliers and servicemen have  
26 paid taxes or penalties hereunder to the Department during the



1 second preceding calendar month. The amount to be paid to each  
2 county shall be the amount (not including credit memoranda and  
3 not including taxes and penalties collected on aviation fuel  
4 sold on or after December 1, 2019) collected hereunder during  
5 the second preceding calendar month by the Department, and not  
6 including an amount equal to the amount of refunds made during  
7 the second preceding calendar month by the Department on  
8 behalf of such county, 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 counties, 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 counties  
17 and the Tax Compliance and Administration Fund provided for in  
18 this Section to be given to the Comptroller by the Department,  
19 the Comptroller shall cause the orders to be drawn for the  
20 respective amounts in accordance with the directions contained  
21 in such certification.

22 In addition to the disbursement required by the preceding  
23 paragraph, an allocation shall be made in each year to each  
24 county which received more than \$500,000 in disbursements  
25 under the preceding paragraph in the preceding calendar year.  
26 The allocation shall be in an amount equal to the average

1 monthly distribution made to each such county under the  
2 preceding paragraph during the preceding calendar year  
3 (excluding the 2 months of highest receipts). The distribution  
4 made in March of each year subsequent to the year in which an  
5 allocation was made pursuant to this paragraph and the  
6 preceding paragraph shall be reduced by the amount allocated  
7 and disbursed under this paragraph in the preceding calendar  
8 year. The Department shall prepare and certify to the  
9 Comptroller for disbursement the allocations made in  
10 accordance with this paragraph.

11 Nothing in this Section shall be construed to authorize a  
12 county to impose a tax upon the privilege of engaging in any  
13 business which under the Constitution of the United States may  
14 not be made the subject of taxation by this State.

15 An ordinance or resolution imposing or discontinuing a tax  
16 hereunder or effecting a change in the rate thereof shall be  
17 adopted and a certified copy thereof filed with the Department  
18 on or before the first day of June, whereupon the Department  
19 shall proceed to administer and enforce this Section as of the  
20 first day of September next following such adoption and  
21 filing. Beginning January 1, 1992, an ordinance or resolution  
22 imposing or discontinuing the tax hereunder or effecting a  
23 change in the rate thereof shall be adopted and a certified  
24 copy thereof filed with the Department on or before the first  
25 day of July, whereupon the Department shall proceed to  
26 administer and enforce this Section as of the first day of

1 October next following such adoption and filing. Beginning  
2 January 1, 1993, an ordinance or resolution imposing or  
3 discontinuing the tax hereunder or effecting a change in the  
4 rate thereof shall be adopted and a certified copy thereof  
5 filed with the Department on or before the first day of  
6 October, whereupon the Department shall proceed to administer  
7 and enforce this Section as of the first day of January next  
8 following such adoption and filing. Beginning April 1, 1998,  
9 an ordinance or resolution imposing or discontinuing the tax  
10 hereunder or effecting a change in the rate thereof shall  
11 either (i) be adopted and a certified copy thereof filed with  
12 the Department on or before the first day of April, whereupon  
13 the Department shall proceed to administer and enforce this  
14 Section as of the first day of July next following the adoption  
15 and filing; or (ii) be adopted and a certified copy thereof  
16 filed with the Department on or before the first day of  
17 October, whereupon the Department shall proceed to administer  
18 and enforce this Section as of the first day of January next  
19 following the adoption and filing.

20 This Section shall be known and may be cited as the Home  
21 Rule County Service Occupation Tax Law.

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 (55 ILCS 5/5-1008.5)

25 Sec. 5-1008.5. Use and occupation taxes.

1           (a) The Rock Island County Board may adopt a resolution  
2 that authorizes a referendum on the question of whether the  
3 county shall be authorized to impose a retailers' occupation  
4 tax, a service occupation tax, and a use tax at a rate of 1/4  
5 of 1% on behalf of the economic development activities of Rock  
6 Island County and communities located within the county. The  
7 county board shall certify the question to the proper election  
8 authorities who shall submit the question to the voters of the  
9 county at the next regularly scheduled election in accordance  
10 with the general election law. The question shall be in  
11 substantially the following form:

12           Shall Rock Island County be authorized to impose a  
13 retailers' occupation tax, a service occupation tax, and a  
14 use tax at the rate of 1/4 of 1% for the sole purpose of  
15 economic development activities, including creation and  
16 retention of job opportunities, support of affordable  
17 housing opportunities, and enhancement of quality of life  
18 improvements?

19           Votes shall be recorded as "yes" or "no". If a majority of  
20 all votes cast on the proposition are in favor of the  
21 proposition, the county is authorized to impose the tax.

22           (b) The county shall impose the retailers' occupation tax  
23 upon all persons engaged in the business of selling tangible  
24 personal property at retail in the county, at the rate  
25 approved by referendum, on the gross receipts from the sales  
26 made in the course of those businesses within the county. This

1 additional tax may not be imposed on tangible personal  
2 property taxed at the 1% rate under the Retailers' Occupation  
3 Tax Act. Beginning December 1, 2019, this tax is not imposed on  
4 sales of aviation fuel unless the tax revenue is expended for  
5 airport-related purposes. If the county does not have an  
6 airport-related purpose to which it dedicates aviation fuel  
7 tax revenue, then aviation fuel is excluded from the tax. The  
8 county 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 county. The tax imposed under this Section and all civil  
16 penalties that may be assessed as an incident of the tax shall  
17 be collected and enforced by the Department of Revenue. The  
18 Department has full power to administer and enforce this  
19 Section; to collect all taxes and penalties so collected in  
20 the manner provided in this Section; and to determine all  
21 rights to credit memoranda arising on account of the erroneous  
22 payment of tax or penalty under this Section. In the  
23 administration of, and compliance with, this Section, the  
24 Department and persons who are subject to this Section shall  
25 (i) have the same rights, remedies, privileges, immunities,  
26 powers and duties, (ii) be subject to the same conditions,

1 restrictions, limitations, penalties, exclusions, exemptions,  
2 and definitions of terms, and (iii) employ the same modes of  
3 procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
4 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to  
5 all provisions other than the State rate of tax), 2-15 through  
6 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and  
7 penalties collected and provisions related to quarter monthly  
8 payments, and except that the retailer's discount is not  
9 allowed for taxes paid on aviation fuel that are subject to the  
10 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
11 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,  
12 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
13 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
14 Interest Act, as fully as if those provisions were set forth in  
15 this subsection.

16 Persons subject to any tax imposed under this subsection  
17 may reimburse themselves for their seller's tax liability by  
18 separately stating the tax as an additional charge, which  
19 charge may be stated in combination, in a single amount, with  
20 State taxes that sellers are required to collect, in  
21 accordance with bracket schedules prescribed by the  
22 Department.

23 Whenever the Department determines that a refund should be  
24 made under this subsection 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 tax fund referenced under paragraph (g)  
4 of this Section or the Local Government Aviation Trust Fund,  
5 as appropriate.

6 If a tax is imposed under this subsection (b), a tax shall  
7 also be imposed at the same rate under subsections (c) and (d)  
8 of this Section.

9 For the purpose of determining whether a tax authorized  
10 under this Section is applicable, a retail sale, by a producer  
11 of coal or another mineral mined in Illinois, is a sale at  
12 retail at the place where the coal or other mineral mined in  
13 Illinois is extracted from the earth. This paragraph does not  
14 apply to coal or another mineral when it is delivered or  
15 shipped by the seller to the purchaser at a point outside  
16 Illinois so that the sale is exempt under the federal  
17 Constitution as a sale in interstate or foreign commerce.

18 Nothing in this Section shall be construed to authorize  
19 the county to impose a tax upon the privilege of engaging in  
20 any business that under the Constitution of the United States  
21 may not be made the subject of taxation by this State.

22 (c) If a tax has been imposed under subsection (b), a  
23 service occupation tax shall also be imposed at the same rate  
24 upon all persons engaged, in the county, in the business of  
25 making sales of service, who, as an incident to making those  
26 sales of service, transfer tangible personal property within

1 the county as an incident to a sale of service. This additional  
2 tax may not be imposed on tangible personal property taxed at  
3 the 1% rate under the Service Occupation Tax Act. Beginning  
4 December 1, 2019, this tax is not imposed on sales of aviation  
5 fuel unless the tax revenue is expended for airport-related  
6 purposes. If the county does not have an airport-related  
7 purpose to which it dedicates aviation fuel tax revenue, then  
8 aviation fuel is excluded from the tax. The county must comply  
9 with the certification requirements for airport-related  
10 purposes under Section 2-22 of the Retailers' Occupation Tax  
11 Act. For purposes of this Section, "airport-related purposes"  
12 has the meaning ascribed in Section 6z-20.2 of the State  
13 Finance Act. This exclusion for aviation fuel only applies for  
14 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
15 and 49 U.S.C. 47133 are binding on the county. The tax imposed  
16 under this subsection and all civil penalties that may be  
17 assessed as an incident of the tax shall be collected and  
18 enforced by the Department of Revenue. The Department has full  
19 power to administer and enforce this paragraph; to collect all  
20 taxes and penalties due under this Section; to dispose of  
21 taxes and penalties so collected in the manner provided in  
22 this Section; and to determine all rights to credit memoranda  
23 arising on account of the erroneous payment of tax or penalty  
24 under this Section. In the administration of, and compliance  
25 with this paragraph, the Department and persons who are  
26 subject to this paragraph shall (i) have the same rights,



1 remedies, privileges, immunities, powers, and duties, (ii) be  
2 subject to the same conditions, restrictions, limitations,  
3 penalties, exclusions, exemptions, and definitions of terms,  
4 and (iii) employ the same modes of procedure as are prescribed  
5 in Sections 2 (except that the reference to State in the  
6 definition of supplier maintaining a place of business in this  
7 State shall mean the county), 2a, 2b, 3 through 3-55 (in  
8 respect to all provisions other than the State rate of tax), 4  
9 (except that the reference to the State shall be to the  
10 county), 5, 7, 8 (except that the jurisdiction to which the tax  
11 shall be a debt to the extent indicated in that Section 8 shall  
12 be the county), 9 (except as to the disposition of taxes and  
13 penalties collected, and except that the returned merchandise  
14 credit for this tax may not be taken against any State tax, and  
15 except that the retailer's discount is not allowed for taxes  
16 paid on aviation fuel that are subject to the revenue use  
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 11,  
18 12 (except the reference to Section 2b of the Retailers'  
19 Occupation Tax Act), 13 (except that any reference to the  
20 State shall mean the county), 15, 16, 17, 18, 19 and 20 of the  
21 Service Occupation Tax Act and Section 3-7 of the Uniform  
22 Penalty and Interest Act, as fully as if those provisions were  
23 set forth in this subsection.

24 Persons subject to any tax imposed under the authority  
25 granted in this subsection may reimburse themselves for their  
26 serviceman's tax liability by separately stating the tax as an

1 additional charge, which charge may be stated in combination,  
2 in a single amount, with State tax that servicemen are  
3 authorized to collect under the Service Use Tax Act, in  
4 accordance with bracket schedules prescribed by the  
5 Department.

6 Whenever the Department determines that a refund should be  
7 made under this subsection to a claimant instead of issuing a  
8 credit memorandum, the Department shall notify the State  
9 Comptroller, who shall cause the warrant to be drawn for the  
10 amount specified, and to the person named, in the notification  
11 from the Department. The refund shall be paid by the State  
12 Treasurer out of the tax fund referenced under paragraph (g)  
13 of this Section or the Local Government Aviation Trust Fund,  
14 as appropriate.

15 Nothing in this paragraph shall be construed to authorize  
16 the county to impose a tax upon the privilege of engaging in  
17 any business that under the Constitution of the United States  
18 may not be made the subject of taxation by the State.

19 (c-5) If, on January 1, 2025, a unit of local government  
20 has in effect a tax under this Section, or if, after January 1,  
21 2025, a unit of local government imposes a tax under this  
22 Section, then that tax applies to leases of tangible personal  
23 property in effect, entered into, or renewed on or after that  
24 date in the same manner as the tax under this Section and in  
25 accordance with the changes made by this amendatory Act of the  
26 103rd General Assembly.

1 (d) If a tax has been imposed under subsection (b), a use  
2 tax shall also be imposed at the same rate upon the privilege  
3 of using, in the county, any item of tangible personal  
4 property that is purchased outside the county at retail from a  
5 retailer, and that is titled or registered at a location  
6 within the county with an agency of this State's government.  
7 "Selling price" is defined as in the Use Tax Act. The tax shall  
8 be collected from persons whose Illinois address for titling  
9 or registration purposes is given as being in the county. The  
10 tax shall be collected by the Department of Revenue for the  
11 county. The tax must be paid to the State, or an exemption  
12 determination must be obtained from the Department of Revenue,  
13 before the title or certificate of registration for the  
14 property may be issued. The tax or proof of exemption may be  
15 transmitted to the Department by way of the State agency with  
16 which, or the State officer with whom, the tangible personal  
17 property must be titled or registered if the Department and  
18 the State agency or State officer determine that this  
19 procedure will expedite the processing of applications for  
20 title or registration.

21 The Department has full power to administer and enforce  
22 this paragraph; to collect all taxes, penalties, and interest  
23 due under this Section; to dispose of taxes, penalties, and  
24 interest so collected in the manner provided in this Section;  
25 and to determine all rights to credit memoranda or refunds  
26 arising on account of the erroneous payment of tax, penalty,

1 or interest under this Section. In the administration of, and  
2 compliance with, this subsection, the Department and persons  
3 who are subject to this paragraph shall (i) have the same  
4 rights, remedies, privileges, immunities, powers, and duties,  
5 (ii) be subject to the same conditions, restrictions,  
6 limitations, penalties, exclusions, exemptions, and  
7 definitions of terms, and (iii) employ the same modes of  
8 procedure as are prescribed in Sections 2 (except the  
9 definition of "retailer maintaining a place of business in  
10 this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a,  
11 4, 6, 7, 8 (except that the jurisdiction to which the tax shall  
12 be a debt to the extent indicated in that Section 8 shall be  
13 the county), 9 (except provisions relating to quarter monthly  
14 payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22  
15 of the Use Tax Act and Section 3-7 of the Uniform Penalty and  
16 Interest Act, that are not inconsistent with this paragraph,  
17 as fully as if those provisions were set forth in this  
18 subsection.

19 Whenever the Department determines that a refund should be  
20 made under this subsection to a claimant instead of issuing a  
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 the notification  
24 from the Department. The refund shall be paid by the State  
25 Treasurer out of the tax fund referenced under paragraph (g)  
26 of this Section.

1           (e) A certificate of registration issued by the State  
2 Department of Revenue to a retailer under the Retailers'  
3 Occupation Tax Act or under the Service Occupation Tax Act  
4 shall permit the registrant to engage in a business that is  
5 taxed under the tax imposed under paragraphs (b), (c), or (d)  
6 of this Section and no additional registration shall be  
7 required. A certificate issued under the Use Tax Act or the  
8 Service Use Tax Act shall be applicable with regard to any tax  
9 imposed under paragraph (c) of this Section.

10          (f) The results of any election authorizing a proposition  
11 to impose a tax under this Section or effecting a change in the  
12 rate of tax shall be certified by the proper election  
13 authorities and filed with the Illinois Department on or  
14 before the first day of October. In addition, an ordinance  
15 imposing, discontinuing, or effecting a change in the rate of  
16 tax under this Section shall be adopted and a certified copy of  
17 the ordinance filed with the Department on or before the first  
18 day of October. After proper receipt of the certifications,  
19 the Department shall proceed to administer and enforce this  
20 Section as of the first day of January next following the  
21 adoption and filing.

22          (g) Except as otherwise provided in paragraph (g-2), the  
23 Department of Revenue shall, upon collecting any taxes and  
24 penalties as provided in this Section, pay the taxes and  
25 penalties over to the State Treasurer as trustee for the  
26 county. The taxes and penalties shall be held in a trust fund

1 outside the State Treasury. On or before the 25th day of each  
2 calendar month, the Department of Revenue shall prepare and  
3 certify to the Comptroller of the State of Illinois the amount  
4 to be paid to the county, which shall be the balance in the  
5 fund, less any amount determined by the Department to be  
6 necessary for the payment of refunds. Within 10 days after  
7 receipt by the Comptroller of the certification of the amount  
8 to be paid to the county, the Comptroller shall cause an order  
9 to be drawn for payment for the amount in accordance with the  
10 directions contained in the certification. Amounts received  
11 from the tax imposed under this Section shall be used only for  
12 the economic development activities of the county and  
13 communities located within the county.

14 (g-2) Taxes and penalties collected on aviation fuel sold  
15 on or after December 1, 2019, shall be immediately paid over by  
16 the Department to the State Treasurer, ex officio, as trustee,  
17 for deposit into the Local Government Aviation Trust Fund. The  
18 Department shall only pay moneys into the Local Government  
19 Aviation Trust Fund under this Section for so long as the  
20 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
21 47133 are binding on the county.

22 (h) When certifying the amount of a monthly disbursement  
23 to the county under this Section, the Department shall  
24 increase or decrease the amounts by an amount necessary to  
25 offset any miscalculation of previous disbursements. The  
26 offset amount shall be the amount erroneously disbursed within

1 the previous 6 months from the time a miscalculation is  
2 discovered.

3 (i) This Section may be cited as the Rock Island County Use  
4 and Occupation Tax Law.

5 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
6 101-604, eff. 12-13-19.)

7 Section 75-35. The Illinois Municipal Code is amended by  
8 changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,  
9 8-11-1.7, and 11-74.3-6 as follows:

10 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

11 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax  
12 Act. The corporate authorities of a home rule municipality may  
13 impose a 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 municipality on  
17 the gross receipts from these sales made in the course of such  
18 business. If imposed, the tax shall only be imposed in 1/4%  
19 increments. On and after September 1, 1991, this additional  
20 tax may not be imposed on tangible personal property taxed at  
21 the 1% rate under the Retailers' Occupation Tax Act (or at the  
22 0% rate imposed under this amendatory Act of the 102nd General  
23 Assembly). Beginning December 1, 2019, this tax is not imposed  
24 on sales of aviation fuel unless the tax revenue is expended

1 for airport-related purposes. If a municipality does not have  
2 an airport-related purpose to which it dedicates aviation fuel  
3 tax revenue, then aviation fuel is excluded from the tax. Each  
4 municipality must comply with the certification requirements  
5 for airport-related purposes under Section 2-22 of the  
6 Retailers' Occupation Tax Act. For purposes of this Section,  
7 "airport-related purposes" has the meaning ascribed in Section  
8 6z-20.2 of the State Finance Act. This exclusion for aviation  
9 fuel only applies for so long as the revenue use requirements  
10 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
11 municipality. The changes made to this Section by this  
12 amendatory Act of the 101st General Assembly are a denial and  
13 limitation of home rule powers and functions under subsection  
14 (g) of Section 6 of Article VII of the Illinois Constitution.  
15 The tax imposed by a home rule municipality under this Section  
16 and all civil penalties that may be assessed as an incident of  
17 the tax shall be collected and enforced by the State  
18 Department of Revenue. The certificate of registration that is  
19 issued by the Department to a retailer under the Retailers'  
20 Occupation Tax Act shall permit the retailer to engage in a  
21 business that is taxable under any ordinance or resolution  
22 enacted pursuant to this Section without registering  
23 separately with the Department under such ordinance or  
24 resolution or under this Section. The Department shall have  
25 full power to administer and enforce this Section; to collect  
26 all taxes and penalties due hereunder; to dispose of taxes and



1 penalties so collected in the manner hereinafter provided; and  
2 to determine all rights to credit memoranda arising on account  
3 of the erroneous payment of tax or penalty hereunder. In the  
4 administration of, and compliance with, this Section the  
5 Department and persons who are subject to this Section shall  
6 have the same rights, remedies, privileges, immunities, powers  
7 and duties, and be subject to the same conditions,  
8 restrictions, limitations, penalties and definitions of terms,  
9 and employ the same modes of procedure, as are prescribed in  
10 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65  
11 (in respect to all provisions therein other than the State  
12 rate of tax), 2c, 3 (except as to the disposition of taxes and  
13 penalties collected, and except that the retailer's discount  
14 is not allowed for taxes paid on aviation fuel that are subject  
15 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
16 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
17 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
18 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
19 Penalty and Interest Act, as fully as if those provisions were  
20 set forth herein.

21 No tax may be imposed by a home rule municipality under  
22 this Section unless the municipality also imposes a tax at the  
23 same rate under Section 8-11-5 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 Persons subject to any tax imposed under the authority  
7 granted in this Section may reimburse themselves for their  
8 seller's tax liability hereunder by separately stating that  
9 tax as an additional charge, which charge may be stated in  
10 combination, in a single amount, with State tax which sellers  
11 are required to collect under the Use Tax Act, pursuant to such  
12 bracket schedules as the Department may prescribe.

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 order 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 home rule municipal retailers' occupation  
20 tax fund or the Local Government Aviation Trust Fund, as  
21 appropriate.

22 Except as otherwise provided in this paragraph, the  
23 Department shall immediately pay over to the State Treasurer,  
24 ex officio, as trustee, all taxes and penalties collected  
25 hereunder for deposit into the Home Rule Municipal Retailers'  
26 Occupation Tax Fund. Taxes and penalties collected on aviation

1 fuel sold on or after December 1, 2019, shall be immediately  
2 paid over by the Department to the State Treasurer, ex  
3 officio, as trustee, for deposit into the Local Government  
4 Aviation Trust Fund. The Department shall only pay moneys into  
5 the Local Government Aviation Trust Fund under this Section  
6 for so long as the revenue use requirements of 49 U.S.C.  
7 47107(b) and 49 U.S.C. 47133 are binding on the State.

8 As soon as possible after the first day of each month,  
9 beginning January 1, 2011, upon certification of the  
10 Department of Revenue, the Comptroller shall order  
11 transferred, and the Treasurer shall transfer, to the STAR  
12 Bonds Revenue Fund the local sales tax increment, as defined  
13 in the Innovation Development and Economy Act, collected under  
14 this Section during the second preceding calendar month for  
15 sales within a STAR bond district.

16 After the monthly transfer to the STAR Bonds Revenue Fund,  
17 on or before the 25th day of each calendar month, the  
18 Department shall prepare and certify to the Comptroller the  
19 disbursement of stated sums of money to named municipalities,  
20 the municipalities to be those from which retailers have paid  
21 taxes or penalties hereunder to the Department during the  
22 second preceding calendar month. The amount to be paid to each  
23 municipality 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) collected  
26 hereunder during the second preceding calendar month by the

1 Department plus an amount the Department determines is  
2 necessary to offset any amounts that were erroneously paid to  
3 a different taxing body, and not including an amount equal to  
4 the amount of refunds made during the second preceding  
5 calendar month by the Department on behalf of such  
6 municipality, and not including any amount that the Department  
7 determines is necessary to offset any amounts that were  
8 payable to a different taxing body but were erroneously paid  
9 to the municipality, and not including any amounts that are  
10 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
11 remainder, which the Department shall transfer into the Tax  
12 Compliance and Administration Fund. The Department, at the  
13 time of each monthly disbursement to the municipalities, shall  
14 prepare and certify to the State Comptroller the amount to be  
15 transferred into the Tax Compliance and Administration Fund  
16 under this Section. Within 10 days after receipt by the  
17 Comptroller of the disbursement certification to the  
18 municipalities and the Tax Compliance and Administration Fund  
19 provided for in this Section to be given to the Comptroller by  
20 the Department, the Comptroller shall cause the orders to be  
21 drawn for the respective amounts in accordance with the  
22 directions contained in the certification.

23 In addition to the disbursement required by the preceding  
24 paragraph and in order to mitigate delays caused by  
25 distribution procedures, an allocation shall, if requested, be  
26 made within 10 days after January 14, 1991, and in November of

1 1991 and each year thereafter, to each municipality that  
2 received more than \$500,000 during the preceding fiscal year,  
3 (July 1 through June 30) whether collected by the municipality  
4 or disbursed by the Department as required by this Section.  
5 Within 10 days after January 14, 1991, participating  
6 municipalities shall notify the Department in writing of their  
7 intent to participate. In addition, for the initial  
8 distribution, participating municipalities shall certify to  
9 the Department the amounts collected by the municipality for  
10 each month under its home rule occupation and service  
11 occupation tax during the period July 1, 1989 through June 30,  
12 1990. The allocation within 10 days after January 14, 1991,  
13 shall be in an amount equal to the monthly average of these  
14 amounts, excluding the 2 months of highest receipts. The  
15 monthly average for the period of July 1, 1990 through June 30,  
16 1991 will be determined as follows: the amounts collected by  
17 the municipality under its home rule occupation and service  
18 occupation tax during the period of July 1, 1990 through  
19 September 30, 1990, plus amounts collected by the Department  
20 and paid to such municipality through June 30, 1991, excluding  
21 the 2 months of highest receipts. The monthly average for each  
22 subsequent period of July 1 through June 30 shall be an amount  
23 equal to the monthly distribution made to each such  
24 municipality under the preceding paragraph during this period,  
25 excluding the 2 months of highest receipts. The distribution  
26 made in November 1991 and each year thereafter under this

1 paragraph and the preceding paragraph shall be reduced by the  
2 amount allocated and disbursed under this paragraph in the  
3 preceding period of July 1 through June 30. The Department  
4 shall prepare and certify to the Comptroller for disbursement  
5 the allocations made in accordance with this paragraph.

6 For the purpose of determining the local governmental unit  
7 whose tax is applicable, a retail sale by a producer of coal or  
8 other mineral mined in Illinois is a sale at retail at the  
9 place where the coal or other mineral mined in Illinois is  
10 extracted from the earth. This paragraph does not apply to  
11 coal or other mineral when it is delivered or shipped by the  
12 seller to the purchaser at a point outside Illinois so that the  
13 sale is exempt under the United States Constitution as a sale  
14 in interstate or foreign commerce.

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 An ordinance or resolution imposing or discontinuing a tax  
20 hereunder or effecting a change in the rate thereof shall be  
21 adopted and a certified copy thereof filed with the Department  
22 on or before the first day of June, whereupon the Department  
23 shall proceed to administer and enforce this Section as of the  
24 first day of September next following the adoption and filing.  
25 Beginning January 1, 1992, an ordinance or resolution imposing  
26 or discontinuing the tax hereunder or effecting a change in

1 the rate thereof shall be adopted and a certified copy thereof  
2 filed with the Department on or before the first day of July,  
3 whereupon the Department shall proceed to administer and  
4 enforce this Section as of the first day of October next  
5 following such adoption and filing. Beginning January 1, 1993,  
6 an ordinance or resolution imposing or discontinuing the tax  
7 hereunder or effecting a change in the rate thereof shall be  
8 adopted and a certified copy thereof filed with the Department  
9 on or before the first day of October, whereupon the  
10 Department shall proceed to administer and enforce this  
11 Section as of the first day of January next following the  
12 adoption and filing. However, a municipality located in a  
13 county with a population in excess of 3,000,000 that elected  
14 to become a home rule unit at the general primary election in  
15 1994 may adopt an ordinance or resolution imposing the tax  
16 under this Section and file a certified copy of the ordinance  
17 or resolution with the Department on or before July 1, 1994.  
18 The Department shall then proceed to administer and enforce  
19 this Section as of October 1, 1994. Beginning April 1, 1998, an  
20 ordinance or resolution imposing or discontinuing the tax  
21 hereunder or effecting a change in the rate thereof shall  
22 either (i) be adopted and a certified copy thereof filed with  
23 the Department on or before the first day of April, whereupon  
24 the Department shall proceed to administer and enforce this  
25 Section as of the first day of July next following the adoption  
26 and filing; or (ii) be adopted and a certified copy thereof

1 filed with the Department on or before the first day of  
2 October, whereupon the Department shall proceed to administer  
3 and enforce this Section as of the first day of January next  
4 following the adoption and filing.

5 When certifying the amount of a monthly disbursement to a  
6 municipality under this Section, the Department shall increase  
7 or decrease the amount by an amount necessary to offset any  
8 misallocation of previous disbursements. The offset amount  
9 shall be the amount erroneously disbursed within the previous  
10 6 months from the time a misallocation is discovered.

11 Any unobligated balance remaining in the Municipal  
12 Retailers' Occupation Tax Fund on December 31, 1989, which  
13 fund was abolished by Public Act 85-1135, and all receipts of  
14 municipal tax as a result of audits of liability periods prior  
15 to January 1, 1990, shall be paid into the Local Government Tax  
16 Fund for distribution as provided by this Section prior to the  
17 enactment of Public Act 85-1135. All receipts of municipal tax  
18 as a result of an assessment not arising from an audit, for  
19 liability periods prior to January 1, 1990, shall be paid into  
20 the Local Government Tax Fund for distribution before July 1,  
21 1990, as provided by this Section prior to the enactment of  
22 Public Act 85-1135; and on and after July 1, 1990, all such  
23 receipts shall be distributed as provided in Section 6z-18 of  
24 the State Finance Act.

25 As used in this Section, "municipal" and "municipality"  
26 means a city, village or incorporated town, including an



1 incorporated town that has superseded a civil township.

2 This Section shall be known and may be cited as the Home  
3 Rule Municipal Retailers' Occupation Tax Act.

4 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
5 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

6 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

7 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
8 Occupation Tax Act. The corporate authorities of a non-home  
9 rule municipality may impose a tax upon all persons engaged in  
10 the business of selling tangible personal property, other than  
11 on an item of tangible personal property which is titled and  
12 registered by an agency of this State's Government, at retail  
13 in the municipality for expenditure on public infrastructure  
14 or for property tax relief or both as defined in Section  
15 8-11-1.2 if approved by referendum as provided in Section  
16 8-11-1.1, of the gross receipts from such sales made in the  
17 course of such business. If the tax is approved by referendum  
18 on or after July 14, 2010 (the effective date of Public Act  
19 96-1057), the corporate authorities of a non-home rule  
20 municipality may, until July 1, 2030, use the proceeds of the  
21 tax for expenditure on municipal operations, in addition to or  
22 in lieu of any expenditure on public infrastructure or for  
23 property tax relief. The tax imposed may not be more than 1%  
24 and may be imposed only in 1/4% increments. The tax may not be  
25 imposed on tangible personal property taxed at the 1% rate

1 under the Retailers' Occupation Tax Act (or at the 0% rate  
2 imposed under this amendatory Act of the 102nd General  
3 Assembly). Beginning December 1, 2019, this tax is not imposed  
4 on sales of aviation fuel unless the tax revenue is expended  
5 for airport-related purposes. If a municipality does not have  
6 an airport-related purpose to which it dedicates aviation fuel  
7 tax revenue, then aviation fuel is excluded from the tax. Each  
8 municipality must comply with the certification requirements  
9 for airport-related purposes under Section 2-22 of the  
10 Retailers' 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 municipality. The tax imposed by a municipality pursuant to  
16 this Section and all civil penalties that may be assessed as an  
17 incident thereof shall be collected and enforced by the State  
18 Department of Revenue. The certificate of registration which  
19 is issued by the Department to a retailer under the Retailers'  
20 Occupation Tax Act shall permit such retailer to engage in a  
21 business which is taxable under any ordinance or resolution  
22 enacted pursuant to this Section without registering  
23 separately with the Department under such ordinance or  
24 resolution or under this Section. The Department shall have  
25 full power to administer and enforce this Section; to collect  
26 all taxes and penalties due hereunder; to dispose of taxes and

1 penalties so collected in the manner hereinafter provided, and  
2 to determine all rights to credit memoranda, arising on  
3 account of the erroneous payment of tax or penalty hereunder.  
4 In the administration of, and compliance with, this Section,  
5 the Department and persons who are subject to this Section  
6 shall have the same rights, remedies, privileges, immunities,  
7 powers and duties, and be subject to the same conditions,  
8 restrictions, limitations, penalties and definitions of terms,  
9 and employ the same modes of procedure, as are prescribed in  
10 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in  
11 respect to all provisions therein other than the State rate of  
12 tax), 2c, 3 (except as to the disposition of taxes and  
13 penalties collected, and except that the retailer's discount  
14 is not allowed for taxes paid on aviation fuel that are subject  
15 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
16 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
17 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
18 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
19 Penalty and Interest Act as fully as if those provisions were  
20 set forth herein.

21 No municipality may impose a tax under this Section unless  
22 the municipality also imposes a tax at the same rate under  
23 Section 8-11-1.4 of this Code.

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 Persons subject to any tax imposed pursuant to the  
7 authority granted in this Section may reimburse themselves for  
8 their seller's tax liability hereunder by separately stating  
9 such tax as an additional charge, which charge may be stated in  
10 combination, in a single amount, with State tax which sellers  
11 are required to collect under the Use Tax Act, pursuant to such  
12 bracket schedules as the Department may prescribe.

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 order 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 non-home rule municipal  
20 retailers' occupation tax fund or the Local Government  
21 Aviation Trust Fund, as appropriate.

22 Except as otherwise provided, the Department shall  
23 forthwith pay over to the State Treasurer, ex officio, as  
24 trustee, all taxes and penalties collected hereunder for  
25 deposit into the Non-Home Rule Municipal Retailers' Occupation  
26 Tax Fund. Taxes and penalties collected on aviation fuel sold

1 on or after December 1, 2019, shall be immediately paid over by  
2 the Department to the State Treasurer, ex officio, as trustee,  
3 for deposit into the Local Government Aviation Trust Fund. The  
4 Department shall only pay moneys into the Local Government  
5 Aviation Trust Fund under this Section for so long as the  
6 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
7 47133 are binding on the municipality.

8 As soon as possible after the first day of each month,  
9 beginning January 1, 2011, upon certification of the  
10 Department of Revenue, the Comptroller shall order  
11 transferred, and the Treasurer shall transfer, to the STAR  
12 Bonds Revenue Fund the local sales tax increment, as defined  
13 in the Innovation Development and Economy Act, collected under  
14 this Section during the second preceding calendar month for  
15 sales within a STAR bond district.

16 After the monthly transfer to the STAR Bonds Revenue Fund,  
17 on or before the 25th day of each calendar month, the  
18 Department shall prepare and certify to the Comptroller the  
19 disbursement of stated sums of money to named municipalities,  
20 the municipalities to be those from which retailers have paid  
21 taxes or penalties hereunder to the Department during the  
22 second preceding calendar month. The amount to be paid to each  
23 municipality 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) collected  
26 hereunder during the second preceding calendar month by the

1 Department plus an amount the Department determines is  
2 necessary to offset any amounts which were erroneously paid to  
3 a different taxing body, and not including an amount equal to  
4 the amount of refunds made during the second preceding  
5 calendar month by the Department on behalf of such  
6 municipality, and not including any amount which the  
7 Department determines is necessary to offset any amounts which  
8 were payable to a different taxing body but were erroneously  
9 paid to the municipality, and not including any amounts that  
10 are transferred to the STAR Bonds Revenue Fund, less 1.5% of  
11 the remainder, which the Department shall transfer into the  
12 Tax Compliance and Administration Fund. The Department, at the  
13 time of each monthly disbursement to the municipalities, shall  
14 prepare and certify to the State Comptroller the amount to be  
15 transferred into the Tax Compliance and Administration Fund  
16 under this Section. Within 10 days after receipt, by the  
17 Comptroller, of the disbursement certification to the  
18 municipalities and the Tax Compliance and Administration Fund  
19 provided for in this Section to be given to the Comptroller by  
20 the Department, the Comptroller shall cause the orders to be  
21 drawn for the respective amounts in accordance with the  
22 directions contained in such certification.

23 For the purpose of determining the local governmental unit  
24 whose tax is applicable, a retail sale, by a producer of coal  
25 or other mineral mined in Illinois, is a sale at retail at the  
26 place where the coal or other mineral mined in Illinois is

1 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 a  
7 municipality 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 When certifying the amount of a monthly disbursement to a  
11 municipality under this Section, the Department shall increase  
12 or decrease such amount by an amount necessary to offset any  
13 misallocation of previous disbursements. The offset amount  
14 shall be the amount erroneously disbursed within the previous  
15 6 months from the time a misallocation is discovered.

16 The Department of Revenue shall implement Public Act  
17 91-649 so as to collect the tax on and after January 1, 2002.

18 As used in this Section, "municipal" and "municipality"  
19 mean a city, village, or incorporated town, including an  
20 incorporated town which has superseded a civil township.

21 This Section shall be known and may be cited as the  
22 Non-Home Rule Municipal Retailers' Occupation Tax Act.

23 (Source: P.A. 101-10, eff. 6-5-19; 101-47, eff. 1-1-20;  
24 101-81, eff. 7-12-19; 101-604, eff. 12-13-19; 102-700, eff.  
25 4-19-22.)

1 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

2 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation  
3 Tax Act. The corporate authorities of a non-home rule  
4 municipality may impose a tax upon all persons engaged, in  
5 such municipality, in the business of making sales of service  
6 for expenditure on public infrastructure or for property tax  
7 relief or both as defined in Section 8-11-1.2 if approved by  
8 referendum as provided in Section 8-11-1.1, of the selling  
9 price of all tangible personal property transferred by such  
10 servicemen either in the form of tangible personal property or  
11 in the form of real estate as an incident to a sale of service.  
12 If the tax is approved by referendum on or after July 14, 2010  
13 (the effective date of Public Act 96-1057), the corporate  
14 authorities of a non-home rule municipality may, until  
15 December 31, 2030, use the proceeds of the tax for expenditure  
16 on municipal operations, in addition to or in lieu of any  
17 expenditure on public infrastructure or for property tax  
18 relief. The tax imposed may not be more than 1% and may be  
19 imposed only in 1/4% increments. The tax may not be imposed on  
20 tangible personal property taxed at the 1% rate under the  
21 Service Occupation Tax Act (or at the 0% rate imposed under  
22 this amendatory Act of the 102nd General Assembly). Beginning  
23 December 1, 2019, this tax is not imposed on sales of aviation  
24 fuel unless the tax revenue is expended for airport-related  
25 purposes. If a municipality does not have an airport-related  
26 purpose to which it dedicates aviation fuel tax revenue, then



1 aviation fuel is excluded from the tax. Each municipality must  
2 comply 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 municipality. The tax  
9 imposed by a municipality pursuant to this Section and all  
10 civil penalties that may be assessed as an incident thereof  
11 shall be collected and enforced by the State Department of  
12 Revenue. The certificate of registration which is issued by  
13 the Department to a retailer under the Retailers' Occupation  
14 Tax Act or under the Service Occupation Tax Act shall permit  
15 such registrant to engage in a business which is taxable under  
16 any ordinance or resolution enacted pursuant to this Section  
17 without registering separately with the Department under such  
18 ordinance or resolution or under this Section. The Department  
19 shall have full power to administer and enforce this Section;  
20 to collect all taxes and penalties due hereunder; to dispose  
21 of taxes and penalties so collected 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 hereunder. In the administration of, and compliance with, this  
25 Section the Department and persons who are subject to this  
26 Section shall have the same rights, remedies, privileges,

1 immunities, powers and duties, and be subject to the same  
2 conditions, restrictions, limitations, penalties and  
3 definitions of terms, and employ the same modes of procedure,  
4 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
5 respect to all provisions therein other than the State rate of  
6 tax), 4 (except that the reference to the State shall be to the  
7 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
8 which the tax shall be a debt to the extent indicated in that  
9 Section 8 shall be the taxing municipality), 9 (except as to  
10 the disposition of taxes and penalties collected, and except  
11 that the returned merchandise credit for this municipal tax  
12 may not be taken against any State tax, and except that the  
13 retailer's discount is not allowed for taxes paid on aviation  
14 fuel that are subject to the revenue use requirements of 49  
15 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the  
16 reference therein to Section 2b of the Retailers' Occupation  
17 Tax Act), 13 (except that any reference to the State shall mean  
18 the taxing municipality), the first paragraph of Section 15,  
19 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and  
20 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
21 as if those provisions were set forth herein.

22 No municipality may impose a tax under this Section unless  
23 the municipality also imposes a tax at the same rate under  
24 Section 8-11-1.3 of this Code.

25 If, on January 1, 2025, a unit of local government has in  
26 effect a tax under this Section, or if, after January 1, 2025,

1 a unit of local government imposes a tax under this Section,  
2 then that tax applies to leases of tangible personal property  
3 in effect, entered into, or renewed on or after that date in  
4 the same manner as the tax under this Section and in accordance  
5 with the changes made by this amendatory Act of the 103rd  
6 General Assembly.

7 Persons subject to any tax imposed pursuant to the  
8 authority granted in this Section may reimburse themselves for  
9 their serviceman's tax liability hereunder by separately  
10 stating such tax as an additional charge, which charge may be  
11 stated in combination, in a single amount, with State tax  
12 which servicemen are authorized to collect under the Service  
13 Use Tax Act, pursuant to such bracket schedules as the  
14 Department may prescribe.

15 Whenever the Department determines that a refund should be  
16 made under this Section to a claimant instead of issuing  
17 credit memorandum, the Department shall notify the State  
18 Comptroller, who shall cause the order to be drawn for the  
19 amount specified, and to the person named, in such  
20 notification from the Department. Such refund shall be paid by  
21 the State Treasurer out of the municipal retailers' occupation  
22 tax fund or the Local Government Aviation Trust Fund, as  
23 appropriate.

24 Except as otherwise provided in this paragraph, the  
25 Department shall forthwith pay over to the State Treasurer, ex  
26 officio, as trustee, all taxes and penalties collected

1 hereunder for deposit into the municipal retailers' occupation  
2 tax fund. Taxes and penalties collected on aviation fuel sold  
3 on or after December 1, 2019, shall be immediately paid over by  
4 the Department to the State Treasurer, ex officio, as trustee,  
5 for deposit into the Local Government Aviation Trust Fund. The  
6 Department shall only pay moneys into the Local Government  
7 Aviation Trust Fund under this Section for so long as the  
8 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
9 47133 are binding on the 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 General Revenue Fund, and the Tax  
16 Compliance and Administration Fund provided for in this  
17 Section to be given to the Comptroller by the Department, the  
18 Comptroller shall cause the orders to be drawn for the  
19 respective amounts in accordance with the directions contained  
20 in such certification.

21 The Department of Revenue shall implement Public Act  
22 91-649 so as to collect the tax on and after January 1, 2002.

23 Nothing in this Section shall be construed to authorize a  
24 municipality to impose a tax upon the privilege of engaging in  
25 any business which under the constitution of the United States  
26 may not be made the subject of taxation by this State.

1           As used in this Section, "municipal" or "municipality"  
2 means or refers to a city, village or incorporated town,  
3 including an incorporated town which has superseded a civil  
4 township.

5           This Section shall be known and may be cited as the  
6 "Non-Home Rule Municipal Service Occupation Tax Act".  
7 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23.)

8           (65 ILCS 5/8-11-1.6)

9           Sec. 8-11-1.6. Non-home rule municipal retailers'  
10 occupation tax; municipalities between 20,000 and 25,000. The  
11 corporate authorities of a non-home rule municipality with a  
12 population of more than 20,000 but less than 25,000 that has,  
13 prior to January 1, 1987, established a Redevelopment Project  
14 Area that has been certified as a State Sales Tax Boundary and  
15 has issued bonds or otherwise incurred indebtedness to pay for  
16 costs in excess of \$5,000,000, which is secured in part by a  
17 tax increment allocation fund, in accordance with the  
18 provisions of Division 11-74.4 of this Code may, by passage of  
19 an ordinance, impose a tax upon all persons engaged in the  
20 business of selling tangible personal property, other than on  
21 an item of tangible personal property that is titled and  
22 registered by an agency of this State's Government, at retail  
23 in the municipality. This tax may not be imposed on tangible  
24 personal property taxed at the 1% rate under the Retailers'  
25 Occupation Tax Act (or at the 0% rate imposed under this

1 amendatory Act of the 102nd General Assembly). Beginning  
2 December 1, 2019, this tax is not imposed on sales of aviation  
3 fuel unless the tax revenue is expended for airport-related  
4 purposes. If a municipality does not have an airport-related  
5 purpose to which it dedicates aviation fuel tax revenue, then  
6 aviation fuel is excluded from the tax. Each municipality must  
7 comply with the certification requirements for airport-related  
8 purposes under Section 2-22 of the Retailers' Occupation Tax  
9 Act. For purposes of this Section, "airport-related purposes"  
10 has the meaning ascribed in Section 6z-20.2 of the State  
11 Finance Act. This exclusion for aviation fuel only applies for  
12 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
13 and 49 U.S.C. 47133 are binding on the municipality. If  
14 imposed, the tax shall only be imposed in .25% increments of  
15 the gross receipts from such sales made in the course of  
16 business. Any tax imposed by a municipality under this Section  
17 and all civil penalties that may be assessed as an incident  
18 thereof shall be collected and enforced by the State  
19 Department of Revenue. An ordinance imposing a tax hereunder  
20 or effecting a change in the rate thereof shall be adopted and  
21 a certified copy thereof filed with the Department on or  
22 before the first day of October, whereupon the Department  
23 shall proceed to administer and enforce this Section as of the  
24 first day of January next following such adoption and filing.  
25 The certificate of registration that is issued by the  
26 Department to a retailer under the Retailers' Occupation Tax

1 Act shall permit the retailer to engage in a business that is  
2 taxable under any ordinance or resolution enacted under this  
3 Section without registering separately with the Department  
4 under the ordinance or resolution or under this Section. The  
5 Department shall have full power to administer and enforce  
6 this Section, to collect all taxes and penalties due  
7 hereunder, to dispose of taxes and penalties so collected in  
8 the manner hereinafter provided, and to determine all rights  
9 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 Section, the Department and persons  
12 who are subject to this Section shall have the same rights,  
13 remedies, privileges, immunities, powers, and duties, and be  
14 subject to the same conditions, restrictions, limitations,  
15 penalties, and definitions of terms, and employ the same modes  
16 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,  
17 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
18 therein other than the State rate of tax), 2c, 3 (except as to  
19 the disposition of taxes and penalties collected, and except  
20 that the retailer's discount is not allowed for taxes paid on  
21 aviation fuel that are subject to the revenue use requirements  
22 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
23 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
24 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
25 Section 3-7 of the Uniform Penalty and Interest Act as fully as  
26 if those provisions were set forth herein.



1 A tax may not be imposed by a municipality under this  
2 Section unless the municipality also imposes a tax at the same  
3 rate under Section 8-11-1.7 of this Act.

4 If, on January 1, 2025, a unit of local government has in  
5 effect a tax under this Section, or if, after January 1, 2025,  
6 a unit of local government imposes a tax under this Section,  
7 then that tax applies to leases of tangible personal property  
8 in effect, entered into, or renewed on or after that date in  
9 the same manner as the tax under this Section and in accordance  
10 with the changes made by this amendatory Act of the 103rd  
11 General Assembly.

12 Persons subject to any tax imposed under the authority  
13 granted in this Section may reimburse themselves for their  
14 seller's tax liability hereunder by separately stating the tax  
15 as an additional charge, which charge may be stated in  
16 combination, in a single amount, with State tax which sellers  
17 are required to collect under the Use Tax Act, pursuant to such  
18 bracket schedules as the Department may prescribe.

19 Whenever the Department determines that a refund should be  
20 made under this Section to a claimant, instead of issuing a  
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 the notification  
24 from the Department. The refund shall be paid by the State  
25 Treasurer out of the Non-Home Rule Municipal Retailers'  
26 Occupation Tax Fund, which is hereby created or the Local

1 Government Aviation Trust Fund, as appropriate.

2 Except as otherwise provided in this paragraph, the  
3 Department shall forthwith pay over to the State Treasurer, ex  
4 officio, as trustee, all taxes and penalties collected  
5 hereunder for deposit into the Non-Home Rule Municipal  
6 Retailers' Occupation Tax Fund. Taxes and penalties collected  
7 on aviation fuel sold on or after December 1, 2019, shall be  
8 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 municipality.

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 named municipalities,

1 the municipalities to be those from which retailers have paid  
2 taxes or penalties hereunder to the Department during the  
3 second preceding calendar month. The amount to be paid to each  
4 municipality shall be the amount (not including credit  
5 memoranda and not including taxes and penalties collected on  
6 aviation fuel sold on or after December 1, 2019) collected  
7 hereunder during the second preceding calendar month by the  
8 Department plus an amount the Department determines is  
9 necessary to offset any amounts that were erroneously paid to  
10 a different taxing body, and not including an amount equal to  
11 the amount of refunds made during the second preceding  
12 calendar month by the Department on behalf of the  
13 municipality, and not including any amount that the Department  
14 determines is necessary to offset any amounts that were  
15 payable to a different taxing body but were erroneously paid  
16 to the municipality, and not including any amounts that are  
17 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
18 remainder, which the Department shall transfer into the Tax  
19 Compliance and Administration Fund. The Department, at the  
20 time of each monthly disbursement to the municipalities, shall  
21 prepare and certify to the State Comptroller the amount to be  
22 transferred into the Tax Compliance and Administration Fund  
23 under this Section. Within 10 days after receipt by the  
24 Comptroller of the disbursement certification to the  
25 municipalities and the Tax Compliance and Administration Fund  
26 provided for in this Section to be given to the Comptroller by

1 the Department, the Comptroller shall cause the orders to be  
2 drawn for the respective amounts in accordance with the  
3 directions contained in the certification.

4 For the purpose of determining the local governmental unit  
5 whose tax is applicable, a retail sale by a producer of coal or  
6 other mineral mined in Illinois is a sale at retail at the  
7 place where the coal or other mineral mined in Illinois is  
8 extracted from the earth. This paragraph does not apply to  
9 coal or other mineral when it is delivered or shipped by the  
10 seller to the purchaser at a point outside Illinois so that the  
11 sale is exempt under the federal Constitution as a sale in  
12 interstate or foreign commerce.

13 Nothing in this Section shall be construed to authorize a  
14 municipality to impose a tax upon the privilege of engaging in  
15 any business which under the constitution of the United States  
16 may not be made the subject of taxation by this State.

17 When certifying the amount of a monthly disbursement to a  
18 municipality under this Section, the Department shall increase  
19 or decrease the amount by an amount necessary to offset any  
20 misallocation of previous disbursements. The offset amount  
21 shall be the amount erroneously disbursed within the previous  
22 6 months from the time a misallocation is discovered.

23 As used in this Section, "municipal" and "municipality"  
24 means a city, village, or incorporated town, including an  
25 incorporated town that has superseded a civil township.

26 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;

1 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

2 (65 ILCS 5/8-11-1.7)

3 Sec. 8-11-1.7. Non-home rule municipal service occupation  
4 tax; municipalities between 20,000 and 25,000. The corporate  
5 authorities of a non-home rule municipality with a population  
6 of more than 20,000 but less than 25,000 as determined by the  
7 last preceding decennial census that has, prior to January 1,  
8 1987, established a Redevelopment Project Area that has been  
9 certified as a State Sales Tax Boundary and has issued bonds or  
10 otherwise incurred indebtedness to pay for costs in excess of  
11 \$5,000,000, which is secured in part by a tax increment  
12 allocation fund, in accordance with the provisions of Division  
13 11-74.4 of this Code may, by passage of an ordinance, impose a  
14 tax upon all persons engaged in the municipality in the  
15 business of making sales of service. If imposed, the tax shall  
16 only be imposed in .25% increments of the selling price of all  
17 tangible personal property transferred by such servicemen  
18 either in the form of tangible personal property or in the form  
19 of real estate as an incident to a sale of service. This tax  
20 may not be imposed on tangible personal property taxed at the  
21 1% rate under the Service Occupation Tax Act (or at the 0% rate  
22 imposed under this amendatory Act of the 102nd General  
23 Assembly). Beginning December 1, 2019, this tax is not imposed  
24 on sales of aviation fuel unless the tax revenue is expended  
25 for airport-related purposes. If a municipality does not have

1 an airport-related purpose to which it dedicates aviation fuel  
2 tax revenue, then aviation fuel is excluded from the tax. Each  
3 municipality must comply with the certification requirements  
4 for airport-related purposes under Section 2-22 of the  
5 Retailers' Occupation Tax Act. For purposes of this Section,  
6 "airport-related purposes" has the meaning ascribed in Section  
7 6z-20.2 of the State Finance Act. This exclusion for aviation  
8 fuel only applies for so long as the revenue use requirements  
9 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
10 municipality. The tax imposed by a municipality under this  
11 Section and all civil penalties that may be assessed as an  
12 incident thereof shall be collected and enforced by the State  
13 Department of Revenue. An ordinance imposing a tax hereunder  
14 or effecting a change in the rate thereof shall be adopted and  
15 a certified copy thereof filed with the Department on or  
16 before the first day of October, whereupon the Department  
17 shall proceed to administer and enforce this Section as of the  
18 first day of January next following such adoption and filing.  
19 The certificate of registration that is issued by the  
20 Department to a retailer under the Retailers' Occupation Tax  
21 Act or under the Service Occupation Tax Act shall permit the  
22 registrant to engage in a business that is taxable under any  
23 ordinance or resolution enacted under this Section without  
24 registering separately with the Department under the ordinance  
25 or resolution or under this Section. The Department shall have  
26 full power to administer and enforce this Section, to collect

1 all taxes and penalties due hereunder, to dispose of taxes and  
2 penalties so collected in a manner hereinafter provided, and  
3 to determine all rights to credit memoranda arising on account  
4 of the erroneous payment of tax or penalty hereunder. In the  
5 administration of and compliance with this Section, the  
6 Department and persons who are subject to this Section shall  
7 have the same rights, remedies, privileges, immunities,  
8 powers, and duties, and be subject to the same conditions,  
9 restrictions, limitations, penalties and definitions of terms,  
10 and employ the same modes of procedure, as are prescribed in  
11 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
12 provisions therein other than the State rate of tax), 4  
13 (except that the reference to the State shall be to the taxing  
14 municipality), 5, 7, 8 (except that the jurisdiction to which  
15 the tax shall be a debt to the extent indicated in that Section  
16 8 shall be the taxing municipality), 9 (except as to the  
17 disposition of taxes and penalties collected, and except that  
18 the returned merchandise credit for this municipal tax may not  
19 be taken against any State tax, 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), 10, 11, 12, (except the  
23 reference therein to Section 2b of the Retailers' Occupation  
24 Tax Act), 13 (except that any reference to the State shall mean  
25 the taxing municipality), the first paragraph of Sections 15,  
26 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and

1 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
2 as if those provisions were set forth herein.

3 A tax may not be imposed by a municipality under this  
4 Section unless the municipality also imposes a tax at the same  
5 rate under Section 8-11-1.6 of this Act.

6 If, on January 1, 2025, a unit of local government has in  
7 effect a tax under this Section, or if, after January 1, 2025,  
8 a unit of local government imposes a tax under this Section,  
9 then that tax applies to leases of tangible personal property  
10 in effect, entered into, or renewed on or after that date in  
11 the same manner as the tax under this Section and in accordance  
12 with the changes made by this amendatory Act of the 103rd  
13 General Assembly.

14 Person subject to any tax imposed under the authority  
15 granted in this Section may reimburse themselves for their  
16 servicemen's tax liability hereunder by separately stating the  
17 tax as an additional charge, which charge may be stated in  
18 combination, in a single amount, with State tax that  
19 servicemen are authorized to collect under the Service Use Tax  
20 Act, under such bracket schedules as the Department may  
21 prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this Section to a claimant instead of issuing  
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 such



1 notification from the Department. The refund shall be paid by  
2 the State Treasurer out of the Non-Home Rule Municipal  
3 Retailers' Occupation Tax Fund or the Local Government  
4 Aviation Trust Fund, as appropriate.

5 Except as otherwise provided in this paragraph, the  
6 Department shall forthwith pay over to the State Treasurer, ex  
7 officio, as trustee, all taxes and penalties collected  
8 hereunder for deposit into the Non-Home Rule Municipal  
9 Retailers' Occupation Tax Fund. Taxes and penalties collected  
10 on aviation fuel sold on or after December 1, 2019, shall be  
11 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 Municipality.

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 Section 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 the municipalities to be those from which suppliers and  
5 servicemen have paid taxes or penalties hereunder to the  
6 Department during the second preceding calendar month. The  
7 amount to be paid to each municipality shall be the amount (not  
8 including credit memoranda and not including taxes and  
9 penalties collected on aviation fuel sold on or after December  
10 1, 2019) collected hereunder during the second preceding  
11 calendar month by the Department, and not including an amount  
12 equal to the amount of refunds made during the second  
13 preceding calendar month by the Department on behalf of such  
14 municipality, and not including any amounts that are  
15 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
16 remainder, which the Department shall transfer into the Tax  
17 Compliance and Administration Fund. The Department, at the  
18 time of each monthly disbursement to the municipalities, shall  
19 prepare and certify to the State Comptroller the amount to be  
20 transferred into the Tax Compliance and Administration Fund  
21 under this Section. Within 10 days after receipt by the  
22 Comptroller of the disbursement certification to the  
23 municipalities, the Tax Compliance and Administration Fund,  
24 and the General Revenue Fund, provided for in this Section to  
25 be given to the Comptroller by the Department, the Comptroller  
26 shall cause the orders to be drawn for the respective amounts

1 in accordance with the directions contained in the  
2 certification.

3 When certifying the amount of a monthly disbursement to a  
4 municipality under this Section, the Department shall increase  
5 or decrease the amount by an amount necessary to offset any  
6 misallocation of previous disbursements. The offset amount  
7 shall be the amount erroneously disbursed within the previous  
8 6 months from the time a misallocation is discovered.

9 Nothing in this Section shall be construed to authorize a  
10 municipality to impose a tax upon the privilege of engaging in  
11 any business which under the constitution of the United States  
12 may not be made the subject of taxation by this State.

13 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
14 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

15 (65 ILCS 5/11-74.3-6)

16 Sec. 11-74.3-6. Business district revenue and obligations;  
17 business district tax allocation fund.

18 (a) If the corporate authorities of a municipality have  
19 approved a business district plan, have designated a business  
20 district, and have elected to impose a tax by ordinance  
21 pursuant to subsection (10) or (11) of Section 11-74.3-3, then  
22 each year after the date of the approval of the ordinance but  
23 terminating upon the date all business district project costs  
24 and all obligations paying or reimbursing business district  
25 project costs, if any, have been paid, but in no event later

1 than the dissolution date, all amounts generated by the  
2 retailers' occupation tax and service occupation tax shall be  
3 collected and the tax shall be enforced by the Department of  
4 Revenue in the same manner as all retailers' occupation taxes  
5 and service occupation taxes imposed in the municipality  
6 imposing the tax and all amounts generated by the hotel  
7 operators' occupation tax shall be collected and the tax shall  
8 be enforced by the municipality in the same manner as all hotel  
9 operators' occupation taxes imposed in the municipality  
10 imposing the tax. The corporate authorities of the  
11 municipality shall deposit the proceeds of the taxes imposed  
12 under subsections (10) and (11) of Section 11-74.3-3 into a  
13 special fund of the municipality called the "[Name of]  
14 Business District Tax Allocation Fund" for the purpose of  
15 paying or reimbursing business district project costs and  
16 obligations incurred in the payment of those costs.

17 (b) The corporate authorities of a municipality that has  
18 designated a business district under this Law may, by  
19 ordinance, impose a Business District Retailers' Occupation  
20 Tax upon all persons engaged in the business of selling  
21 tangible personal property, other than an item of tangible  
22 personal property titled or registered with an agency of this  
23 State's government, at retail in the business district at a  
24 rate not to exceed 1% of the gross receipts from the sales made  
25 in the course of such business, to be imposed only in 0.25%  
26 increments. The tax may not be imposed on tangible personal

1 property taxed at the rate of 1% under the Retailers'  
2 Occupation Tax Act (or at the 0% rate imposed under this  
3 amendatory Act of the 102nd General Assembly). Beginning  
4 December 1, 2019 and through December 31, 2020, this tax is not  
5 imposed on sales of aviation fuel unless the tax revenue is  
6 expended for airport-related purposes. If the District does  
7 not have an airport-related purpose to which it dedicates  
8 aviation fuel tax revenue, then aviation fuel is excluded from  
9 the tax. Each municipality must comply with the certification  
10 requirements for airport-related purposes under Section 2-22  
11 of the Retailers' Occupation Tax Act. For purposes of this  
12 Section, "airport-related purposes" has the meaning ascribed  
13 in Section 6z-20.2 of the State Finance Act. Beginning January  
14 1, 2021, this tax is not imposed on sales of aviation fuel for  
15 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
16 and 49 U.S.C. 47133 are binding on the District.

17 The tax imposed under this subsection and all civil  
18 penalties that may be assessed as an incident thereof shall be  
19 collected and enforced by the Department of Revenue. The  
20 certificate of registration that is issued by the Department  
21 to a retailer under the Retailers' Occupation Tax Act shall  
22 permit the retailer to engage in a business that is taxable  
23 under any ordinance or resolution enacted pursuant to this  
24 subsection without registering separately with the Department  
25 under such ordinance or resolution or under this subsection.  
26 The Department of Revenue shall have full power to administer

1 and enforce this subsection; to collect all taxes and  
2 penalties due under this subsection in the manner hereinafter  
3 provided; and to determine all rights to credit memoranda  
4 arising on account of the erroneous payment of tax or penalty  
5 under this subsection. In the administration of, and  
6 compliance with, this subsection, the Department and persons  
7 who are subject to this subsection shall have the same rights,  
8 remedies, privileges, immunities, powers and duties, and be  
9 subject to the same conditions, restrictions, limitations,  
10 penalties, exclusions, exemptions, and definitions of terms  
11 and employ the same modes of procedure, as are prescribed in  
12 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all  
13 provisions therein other than the State rate of tax), 2c  
14 through 2h, 3 (except as to the disposition of taxes and  
15 penalties collected, and except that the retailer's discount  
16 is not allowed for taxes paid on aviation fuel that are subject  
17 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
18 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,  
19 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers'  
20 Occupation Tax Act and all provisions of the Uniform Penalty  
21 and Interest Act, as fully as if those provisions were set  
22 forth herein.

23 Persons subject to any tax imposed under this subsection  
24 may reimburse themselves for their seller's tax liability  
25 under this subsection by separately stating the tax as an  
26 additional charge, which charge may be stated in combination,

1 in a single amount, with State taxes that sellers are required  
2 to collect under the Use Tax Act, in accordance with such  
3 bracket schedules as the Department may prescribe.

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 business district retailers' occupation  
11 tax fund or the Local Government Aviation Trust Fund, as  
12 appropriate.

13 Except as otherwise provided in this paragraph, the  
14 Department shall immediately pay over to the State Treasurer,  
15 ex officio, as trustee, all taxes, penalties, and interest  
16 collected under this subsection for deposit into the business  
17 district retailers' occupation tax fund. Taxes and penalties  
18 collected on aviation fuel sold on or after December 1, 2019,  
19 shall be immediately paid over by the Department to the State  
20 Treasurer, ex officio, as trustee, for deposit into the Local  
21 Government Aviation Trust Fund. The Department shall only pay  
22 moneys into the Local Government Aviation Trust Fund under  
23 this Section 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  
25 District.

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 subsection 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 from the business district retailers' occupation tax fund, the  
13 municipalities to be those from which retailers have paid  
14 taxes or penalties under this subsection to the Department  
15 during the second preceding calendar month. The amount to be  
16 paid to each municipality shall be the amount (not including  
17 credit memoranda and not including taxes and penalties  
18 collected on aviation fuel sold on or after December 1, 2019)  
19 collected under this subsection during the second preceding  
20 calendar month by the Department plus an amount the Department  
21 determines is necessary to offset any amounts that were  
22 erroneously paid to a different taxing body, and not including  
23 an amount equal to the amount of refunds made during the second  
24 preceding calendar month by the Department, less 2% of that  
25 amount (except the amount collected on aviation fuel sold on  
26 or after December 1, 2019), which shall be deposited into the



1 Tax Compliance and Administration Fund and shall be used by  
2 the Department, subject to appropriation, to cover the costs  
3 of the Department in administering and enforcing the  
4 provisions of this subsection, on behalf of such municipality,  
5 and not including any amount that the Department determines is  
6 necessary to offset any amounts that were payable to a  
7 different taxing body but were erroneously paid to the  
8 municipality, and not including any amounts that are  
9 transferred to the STAR Bonds Revenue Fund. Within 10 days  
10 after receipt by the Comptroller of the disbursement  
11 certification to the municipalities provided for in this  
12 subsection to be given to the Comptroller by the Department,  
13 the Comptroller shall cause the orders to be drawn for the  
14 respective amounts in accordance with the directions contained  
15 in the certification. The proceeds of the tax paid to  
16 municipalities under this subsection shall be deposited into  
17 the Business District Tax Allocation Fund by the municipality.

18 An ordinance imposing or discontinuing the tax under this  
19 subsection or effecting a change in the rate thereof shall  
20 either (i) be adopted and a certified copy thereof filed with  
21 the Department on or before the first day of April, whereupon  
22 the Department, if all other requirements of this subsection  
23 are met, shall proceed to administer and enforce this  
24 subsection as of the first day of July next following the  
25 adoption and filing; or (ii) be adopted and a certified copy  
26 thereof filed with the Department on or before the first day of

1 October, whereupon, if all other requirements of this  
2 subsection are met, the Department shall proceed to administer  
3 and enforce this subsection as of the first day of January next  
4 following the adoption and filing.

5 The Department of Revenue shall not administer or enforce  
6 an ordinance imposing, discontinuing, or changing the rate of  
7 the tax under this subsection, until the municipality also  
8 provides, in the manner prescribed by the Department, the  
9 boundaries of the business district and each address in the  
10 business district in such a way that the Department can  
11 determine by its address whether a business is located in the  
12 business district. The municipality must provide this boundary  
13 and address information to the Department on or before April 1  
14 for administration and enforcement of the tax under this  
15 subsection by the Department beginning on the following July 1  
16 and on or before October 1 for administration and enforcement  
17 of the tax under this subsection by the Department beginning  
18 on the following January 1. The Department of Revenue shall  
19 not administer or enforce any change made to the boundaries of  
20 a business district or address change, addition, or deletion  
21 until the municipality reports the boundary change or address  
22 change, addition, or deletion to the Department in the manner  
23 prescribed by the Department. The municipality must provide  
24 this boundary change information or address change, addition,  
25 or deletion to the Department on or before April 1 for  
26 administration and enforcement by the Department of the change

1 beginning on the following July 1 and on or before October 1  
2 for administration and enforcement by the Department of the  
3 change beginning on the following January 1. The retailers in  
4 the business district shall be responsible for charging the  
5 tax imposed under this subsection. If a retailer is  
6 incorrectly included or excluded from the list of those  
7 required to collect the tax under this subsection, both the  
8 Department of Revenue and the retailer shall be held harmless  
9 if they reasonably relied on information provided by the  
10 municipality.

11 A municipality that imposes the tax under this subsection  
12 must submit to the Department of Revenue any other information  
13 as the Department may require for the administration and  
14 enforcement of the tax.

15 When certifying the amount of a monthly disbursement to a  
16 municipality under this subsection, the Department shall  
17 increase or decrease the amount by an amount necessary to  
18 offset any misallocation of previous disbursements. The offset  
19 amount shall be the amount erroneously disbursed within the  
20 previous 6 months from the time a misallocation is discovered.

21 Nothing in this subsection shall be construed to authorize  
22 the municipality to impose a tax upon the privilege of  
23 engaging in any business which under the Constitution of the  
24 United States may not be made the subject of taxation by this  
25 State.

26 If a tax is imposed under this subsection (b), a tax shall

1 also be imposed under subsection (c) of this Section.

2 (c) If a tax has been imposed under subsection (b), a  
3 Business District Service Occupation Tax shall also be imposed  
4 upon all persons engaged, in the business district, in the  
5 business of making sales of service, who, as an incident to  
6 making those sales of service, transfer tangible personal  
7 property within the business district, either in the form of  
8 tangible personal property or in the form of real estate as an  
9 incident to a sale of service. The tax shall be imposed at the  
10 same rate as the tax imposed in subsection (b) and shall not  
11 exceed 1% of the selling price of tangible personal property  
12 so transferred within the business district, to be imposed  
13 only in 0.25% increments. The tax may not be imposed on  
14 tangible personal property taxed at the 1% rate under the  
15 Service Occupation Tax Act (or at the 0% rate imposed under  
16 this amendatory Act of the 102nd General Assembly). Beginning  
17 December 1, 2019, this tax is not imposed on sales of aviation  
18 fuel unless the tax revenue is expended for airport-related  
19 purposes. If the District 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. Each municipality 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 Act, "airport-related purposes" has  
25 the meaning ascribed in Section 6z-20.2 of the State Finance  
26 Act. Beginning January 1, 2021, this tax is not imposed on

1 sales of aviation fuel for so long as the revenue use  
2 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
3 binding on the District.

4 The tax imposed under this subsection and all civil  
5 penalties that may be assessed as an incident thereof shall be  
6 collected and enforced by the Department of Revenue. The  
7 certificate of registration which is issued by the Department  
8 to a retailer under the Retailers' Occupation Tax Act or under  
9 the 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 subsection without  
12 registering separately with the Department under such  
13 ordinance or resolution or under this subsection. The  
14 Department of Revenue shall have full power to administer and  
15 enforce this subsection; to collect all taxes and penalties  
16 due under this subsection; to dispose of taxes and penalties  
17 so collected in the manner hereinafter provided; and to  
18 determine all rights to credit memoranda arising on account of  
19 the erroneous payment of tax or penalty under this subsection.  
20 In the administration of, and compliance with this subsection,  
21 the Department and persons who are subject to this subsection  
22 shall have the same rights, remedies, privileges, immunities,  
23 powers and duties, and be subject to the same conditions,  
24 restrictions, limitations, penalties, exclusions, exemptions,  
25 and definitions of terms and employ the same modes of  
26 procedure as are prescribed in Sections 2, 2a through 2d, 3

1 through 3-50 (in respect to all provisions therein other than  
2 the State rate of tax), 4 (except that the reference to the  
3 State shall be to the business district), 5, 7, 8 (except that  
4 the jurisdiction to which the tax shall be a debt to the extent  
5 indicated in that Section 8 shall be the municipality), 9  
6 (except as to the disposition of taxes and penalties  
7 collected, and except that the returned merchandise credit for  
8 this tax may not be taken against any State tax, and except  
9 that the retailer's discount is not allowed for taxes paid on  
10 aviation fuel that are subject to the revenue use requirements  
11 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except  
12 the reference therein to Section 2b of the Retailers'  
13 Occupation Tax Act), 13 (except that any reference to the  
14 State shall mean the municipality), the first paragraph of  
15 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service  
16 Occupation Tax Act and all provisions of the Uniform Penalty  
17 and Interest Act, as fully as if those provisions were set  
18 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, which charge may be stated in  
23 combination, in a single amount, with State tax that  
24 servicemen are authorized to collect under the Service Use Tax  
25 Act, in accordance with such bracket schedules as the  
26 Department may prescribe.

1           Whenever the Department determines that a refund should be  
2 made under this subsection to a claimant instead of issuing  
3 credit memorandum, the Department shall notify the State  
4 Comptroller, who shall cause the order to be drawn for the  
5 amount specified, and to the person named, in such  
6 notification from the Department. Such refund shall be paid by  
7 the State Treasurer out of the business district retailers'  
8 occupation tax fund or the Local Government Aviation Trust  
9 Fund, as appropriate.

10           Except as otherwise provided in this paragraph, the  
11 Department shall forthwith pay over to the State Treasurer,  
12 ex-officio, as trustee, all taxes, penalties, and interest  
13 collected under this subsection for deposit into the business  
14 district retailers' occupation tax fund. Taxes and penalties  
15 collected on aviation fuel sold on or after December 1, 2019,  
16 shall be immediately paid over by the Department to the State  
17 Treasurer, ex officio, as trustee, for deposit into the Local  
18 Government Aviation Trust Fund. The Department shall only pay  
19 moneys into the Local Government Aviation Trust Fund under  
20 this Section for so long as the revenue use requirements of 49  
21 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
22 District.

23           As soon as possible after the first day of each month,  
24 beginning January 1, 2011, upon certification of the  
25 Department of Revenue, the Comptroller shall order  
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined  
2 in the Innovation Development and Economy Act, collected under  
3 this subsection during the second preceding calendar month for  
4 sales within a STAR bond district.

5 After the monthly transfer to the STAR Bonds Revenue Fund,  
6 on or before the 25th day of each calendar month, the  
7 Department shall prepare and certify to the Comptroller the  
8 disbursement of stated sums of money to named municipalities  
9 from the business district retailers' occupation tax fund, the  
10 municipalities to be those from which suppliers and servicemen  
11 have paid taxes or penalties under this subsection to the  
12 Department during the second preceding calendar month. The  
13 amount to be paid to each municipality shall be the amount (not  
14 including credit memoranda and not including taxes and  
15 penalties collected on aviation fuel sold on or after December  
16 1, 2019) collected under this subsection during the second  
17 preceding calendar month by the Department, less 2% of that  
18 amount (except the amount collected on aviation fuel sold on  
19 or after December 1, 2019), which shall be deposited into the  
20 Tax Compliance and Administration Fund and shall be used by  
21 the Department, subject to appropriation, to cover the costs  
22 of the Department in administering and enforcing the  
23 provisions of this subsection, and not including an amount  
24 equal to the amount of refunds made during the second  
25 preceding calendar month by the Department on behalf of such  
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 such 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 conditions of this subsection  
20 are met, the Department shall proceed to administer and  
21 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 in such a way that the  
2 Department can determine by its address whether a business is  
3 located in the business district. The municipality must  
4 provide this boundary and address information to the  
5 Department on or before April 1 for administration and  
6 enforcement of the tax under this subsection by the Department  
7 beginning on the following July 1 and on or before October 1  
8 for administration and enforcement of the tax under this  
9 subsection by the Department beginning on the following  
10 January 1. The Department of Revenue shall not administer or  
11 enforce any change made to the boundaries of a business  
12 district or address change, addition, or deletion until the  
13 municipality reports the boundary change or address change,  
14 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 Nothing in this subsection shall be construed to authorize  
8 the municipality to impose a tax upon the privilege of  
9 engaging in any business which under the Constitution of the  
10 United States may not be made the subject of taxation by the  
11 State.

12 If a tax is imposed under this subsection (c), a tax shall  
13 also be imposed under subsection (b) of this Section.

14 (c-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 (d) By ordinance, a municipality that has designated a  
23 business district under this Law may impose an occupation tax  
24 upon all persons engaged in the business district in the  
25 business of renting, leasing, or letting rooms in a hotel, as  
26 defined in the Hotel Operators' Occupation Tax Act, at a rate

1 not to exceed 1% of the gross rental receipts from the renting,  
2 leasing, or letting of hotel rooms within the business  
3 district, to be imposed only in 0.25% increments, excluding,  
4 however, from gross rental receipts the proceeds of renting,  
5 leasing, or letting to permanent residents of a hotel, as  
6 defined in the Hotel Operators' Occupation Tax Act, and  
7 proceeds from the tax imposed under subsection (c) of Section  
8 13 of the Metropolitan Pier and Exposition Authority Act.

9 The tax imposed by the municipality under this subsection  
10 and all civil penalties that may be assessed as an incident to  
11 that tax shall be collected and enforced by the municipality  
12 imposing the tax. The municipality shall have full power to  
13 administer and enforce this subsection, to collect all taxes  
14 and penalties due under this subsection, to dispose of taxes  
15 and penalties so collected in the manner provided in this  
16 subsection, and to determine all rights to credit memoranda  
17 arising on account of the erroneous payment of tax or penalty  
18 under this subsection. In the administration of and compliance  
19 with this subsection, the municipality and persons who are  
20 subject to this subsection shall have the same rights,  
21 remedies, privileges, immunities, powers, and duties, shall be  
22 subject to the same conditions, restrictions, limitations,  
23 penalties, and definitions of terms, and shall employ the same  
24 modes of procedure as are employed with respect to a tax  
25 adopted by the municipality under Section 8-3-14 of this Code.

26 Persons subject to any tax imposed under the authority

1 granted in this subsection may reimburse themselves for their  
2 tax liability for that tax by separately stating that tax as an  
3 additional charge, which charge may be stated in combination,  
4 in a single amount, with State taxes imposed under the Hotel  
5 Operators' Occupation Tax Act, and with any other tax.

6 Nothing in this subsection shall be construed to authorize  
7 a municipality to impose a tax upon the privilege of engaging  
8 in any business which under the Constitution of the United  
9 States may not be made the subject of taxation by this State.

10 The proceeds of the tax imposed under this subsection  
11 shall be deposited into the Business District Tax Allocation  
12 Fund.

13 (e) Obligations secured by the Business District Tax  
14 Allocation Fund may be issued to provide for the payment or  
15 reimbursement of business district project costs. Those  
16 obligations, when so issued, shall be retired in the manner  
17 provided in the ordinance authorizing the issuance of those  
18 obligations by the receipts of taxes imposed pursuant to  
19 subsections (10) and (11) of Section 11-74.3-3 and by other  
20 revenue designated or pledged by the municipality. A  
21 municipality may in the ordinance pledge, for any period of  
22 time up to and including the dissolution date, all or any part  
23 of the funds in and to be deposited in the Business District  
24 Tax Allocation Fund to the payment of business district  
25 project costs and obligations. Whenever a municipality pledges  
26 all of the funds to the credit of a business district tax

1 allocation fund to secure obligations issued or to be issued  
2 to pay or reimburse business district project costs, the  
3 municipality may specifically provide that funds remaining to  
4 the credit of such business district tax allocation fund after  
5 the payment of such obligations shall be accounted for  
6 annually and shall be deemed to be "surplus" funds, and such  
7 "surplus" funds shall be expended by the municipality for any  
8 business district project cost as approved in the business  
9 district plan. Whenever a municipality pledges less than all  
10 of the monies to the credit of a business district tax  
11 allocation fund to secure obligations issued or to be issued  
12 to pay or reimburse business district project costs, the  
13 municipality shall provide that monies to the credit of the  
14 business district tax allocation fund and not subject to such  
15 pledge or otherwise encumbered or required for payment of  
16 contractual obligations for specific business district project  
17 costs shall be calculated annually and shall be deemed to be  
18 "surplus" funds, and such "surplus" funds shall be expended by  
19 the municipality for any business district project cost as  
20 approved in the business district plan.

21 No obligation issued pursuant to this Law and secured by a  
22 pledge of all or any portion of any revenues received or to be  
23 received by the municipality from the imposition of taxes  
24 pursuant to subsection (10) of Section 11-74.3-3, shall be  
25 deemed to constitute an economic incentive agreement under  
26 Section 8-11-20, notwithstanding the fact that such pledge

1 provides for the sharing, rebate, or payment of retailers'  
2 occupation taxes or service occupation taxes imposed pursuant  
3 to subsection (10) of Section 11-74.3-3 and received or to be  
4 received by the municipality from the development or  
5 redevelopment of properties in the business district.

6 Without limiting the foregoing in this Section, the  
7 municipality may further secure obligations secured by the  
8 business district tax allocation fund with a pledge, for a  
9 period not greater than the term of the obligations and in any  
10 case not longer than the dissolution date, of any part or any  
11 combination of the following: (i) net revenues of all or part  
12 of any business district project; (ii) taxes levied or imposed  
13 by the municipality on any or all property in the  
14 municipality, including, specifically, taxes levied or imposed  
15 by the municipality in a special service area pursuant to the  
16 Special Service Area Tax Law; (iii) the full faith and credit  
17 of the municipality; (iv) a mortgage on part or all of the  
18 business district project; or (v) any other taxes or  
19 anticipated receipts that the municipality may lawfully  
20 pledge.

21 Such obligations may be issued in one or more series, bear  
22 such date or dates, become due at such time or times as therein  
23 provided, but in any case not later than (i) 20 years after the  
24 date of issue or (ii) the dissolution date, whichever is  
25 earlier, bear interest payable at such intervals and at such  
26 rate or rates as set forth therein, except as may be limited by

1 applicable law, which rate or rates may be fixed or variable,  
2 be in such denominations, be in such form, either coupon,  
3 registered, or book-entry, carry such conversion, registration  
4 and exchange privileges, be subject to defeasance upon such  
5 terms, have such rank or priority, be executed in such manner,  
6 be payable in such medium or payment at such place or places  
7 within or without the State, make provision for a corporate  
8 trustee within or without the State with respect to such  
9 obligations, prescribe the rights, powers, and duties thereof  
10 to be exercised for the benefit of the municipality and the  
11 benefit of the owners of such obligations, provide for the  
12 holding in trust, investment, and use of moneys, funds, and  
13 accounts held under an ordinance, provide for assignment of  
14 and direct payment of the moneys to pay such obligations or to  
15 be deposited into such funds or accounts directly to such  
16 trustee, be subject to such terms of redemption with or  
17 without premium, and be sold at such price, all as the  
18 corporate authorities shall determine. No referendum approval  
19 of the electors shall be required as a condition to the  
20 issuance of obligations pursuant to this Law except as  
21 provided in this Section.

22 In the event the municipality authorizes the issuance of  
23 obligations pursuant to the authority of this Law secured by  
24 the full faith and credit of the municipality, or pledges ad  
25 valorem taxes pursuant to this subsection, which obligations  
26 are other than obligations which may be issued under home rule



1 powers provided by Section 6 of Article VII of the Illinois  
2 Constitution or which ad valorem taxes are other than ad  
3 valorem taxes which may be pledged under home rule powers  
4 provided by Section 6 of Article VII of the Illinois  
5 Constitution or which are levied in a special service area  
6 pursuant to the Special Service Area Tax Law, the ordinance  
7 authorizing the issuance of those obligations or pledging  
8 those taxes shall be published within 10 days after the  
9 ordinance has been adopted, in a newspaper having a general  
10 circulation within the municipality. The publication of the  
11 ordinance shall be accompanied by a notice of (i) the specific  
12 number of voters required to sign a petition requesting the  
13 question of the issuance of the obligations or pledging such  
14 ad valorem taxes to be submitted to the electors; (ii) the time  
15 within which the petition must be filed; and (iii) the date of  
16 the prospective referendum. The municipal clerk shall provide  
17 a petition form to any individual requesting one.

18 If no petition is filed with the municipal clerk, as  
19 hereinafter provided in this Section, within 21 days after the  
20 publication of the ordinance, the ordinance shall be in  
21 effect. However, if within that 21-day period a petition is  
22 filed with the municipal clerk, signed by electors numbering  
23 not less than 15% of the number of electors voting for the  
24 mayor or president at the last general municipal election,  
25 asking that the question of issuing obligations using full  
26 faith and credit of the municipality as security for the cost

1 of paying or reimbursing business district project costs, or  
2 of pledging such ad valorem taxes for the payment of those  
3 obligations, or both, be submitted to the electors of the  
4 municipality, the municipality shall not be authorized to  
5 issue obligations of the municipality using the full faith and  
6 credit of the municipality as security or pledging such ad  
7 valorem taxes for the payment of those obligations, or both,  
8 until the proposition has been submitted to and approved by a  
9 majority of the voters voting on the proposition at a  
10 regularly scheduled election. The municipality shall certify  
11 the proposition to the proper election authorities for  
12 submission in accordance with the general election law.

13 The ordinance authorizing the obligations may provide that  
14 the obligations shall contain a recital that they are issued  
15 pursuant to this Law, which recital shall be conclusive  
16 evidence of their validity and of the regularity of their  
17 issuance.

18 In the event the municipality authorizes issuance of  
19 obligations pursuant to this Law secured by the full faith and  
20 credit of the municipality, the ordinance authorizing the  
21 obligations may provide for the levy and collection of a  
22 direct annual tax upon all taxable property within the  
23 municipality sufficient to pay the principal thereof and  
24 interest thereon as it matures, which levy may be in addition  
25 to and exclusive of the maximum of all other taxes authorized  
26 to be levied by the municipality, which levy, however, shall

1 be abated to the extent that monies from other sources are  
2 available for payment of the obligations and the municipality  
3 certifies the amount of those monies available to the county  
4 clerk.

5 A certified copy of the ordinance shall be filed with the  
6 county clerk of each county in which any portion of the  
7 municipality is situated, and shall constitute the authority  
8 for the extension and collection of the taxes to be deposited  
9 in the business district tax allocation fund.

10 A municipality may also issue its obligations to refund,  
11 in whole or in part, obligations theretofore issued by the  
12 municipality under the authority of this Law, whether at or  
13 prior to maturity. However, the last maturity of the refunding  
14 obligations shall not be expressed to mature later than the  
15 dissolution date.

16 In the event a municipality issues obligations under home  
17 rule powers or other legislative authority, the proceeds of  
18 which are pledged to pay or reimburse business district  
19 project costs, the municipality may, if it has followed the  
20 procedures in conformance with this Law, retire those  
21 obligations from funds in the business district tax allocation  
22 fund in amounts and in such manner as if those obligations had  
23 been issued pursuant to the provisions of this Law.

24 No obligations issued pursuant to this Law shall be  
25 regarded as indebtedness of the municipality issuing those  
26 obligations or any other taxing district for the purpose of

1 any limitation imposed by law.

2 Obligations issued pursuant to this Law shall not be  
3 subject to the provisions of the Bond Authorization Act.

4 (f) When business district project costs, including,  
5 without limitation, all obligations paying or reimbursing  
6 business district project costs have been paid, any surplus  
7 funds then remaining in the Business District Tax Allocation  
8 Fund shall be distributed to the municipal treasurer for  
9 deposit into the general corporate fund of the municipality.  
10 Upon payment of all business district project costs and  
11 retirement of all obligations paying or reimbursing business  
12 district project costs, but in no event more than 23 years  
13 after the date of adoption of the ordinance imposing taxes  
14 pursuant to subsection (10) or (11) of Section 11-74.3-3, the  
15 municipality shall adopt an ordinance immediately rescinding  
16 the taxes imposed pursuant to subsection (10) or (11) of  
17 Section 11-74.3-3.

18 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19;  
19 102-700, eff. 4-19-22.)

20 Section 75-40. The Civic Center Code is amended by  
21 changing Section 245-12 as follows:

22 (70 ILCS 200/245-12)

23 Sec. 245-12. Use and occupation taxes.

24 (a) The Authority may adopt a resolution that authorizes a

1 referendum on the question of whether the Authority shall be  
2 authorized to impose a retailers' occupation tax, a service  
3 occupation tax, and a use tax in one-quarter percent  
4 increments at a rate not to exceed 1%. The Authority shall  
5 certify the question to the proper election authorities who  
6 shall submit the question to the voters of the metropolitan  
7 area at the next regularly scheduled election in accordance  
8 with the general election law. The question shall be in  
9 substantially the following form:

10 "Shall the Salem Civic Center Authority be authorized to  
11 impose a retailers' occupation tax, a service occupation  
12 tax, and a use tax at the rate of (rate) for the sole  
13 purpose of obtaining funds for the support, construction,  
14 maintenance, or financing of a facility of the Authority?"

15 Votes shall be recorded as "yes" or "no".

16 If a majority of all votes cast on the proposition are in  
17 favor of the proposition, the Authority is authorized to  
18 impose the tax.

19 (b) The Authority shall impose the retailers' occupation  
20 tax upon all persons engaged in the business of selling  
21 tangible personal property at retail in the metropolitan area,  
22 at the rate approved by referendum, on the gross receipts from  
23 the sales made in the course of such business within the  
24 metropolitan area. Beginning December 1, 2019 and through  
25 December 31, 2020, this tax is not imposed on sales of aviation  
26 fuel unless the tax revenue is expended for airport-related

1 purposes. If the Authority does not have an airport-related  
2 purpose to which it dedicates aviation fuel tax revenue, then  
3 aviation fuel is excluded from the tax. The Authority must  
4 comply with the certification requirements for airport-related  
5 purposes under Section 2-22 of the Retailers' Occupation Tax  
6 Act. For purposes of this Section, "airport-related purposes"  
7 has the meaning ascribed in Section 6z-20.2 of the State  
8 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 Authority.

12 The tax imposed under this Section and all civil penalties  
13 that may be assessed as an incident thereof shall be collected  
14 and enforced by the Department of Revenue. The Department has  
15 full power to administer and enforce this Section; to collect  
16 all taxes and penalties so collected in the manner provided in  
17 this Section; 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 (i) have the same rights, remedies, privileges,  
22 immunities, powers and duties, (ii) be subject to the same  
23 conditions, restrictions, limitations, penalties, exclusions,  
24 exemptions, and definitions of terms, and (iii) employ the  
25 same modes of procedure as are prescribed in Sections 1, 1a,  
26 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10

1 (in respect to all provisions therein other than the State  
2 rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except as  
3 to the disposition of taxes and penalties collected and  
4 provisions related to quarter monthly payments, and except  
5 that the retailer's discount is not allowed for taxes paid on  
6 aviation fuel that are subject to the revenue use requirements  
7 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
8 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,  
9 11a, 12, and 13 of the Retailers' Occupation Tax Act and  
10 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
11 as if those provisions were set forth in this subsection.

12 Persons subject to any tax imposed under this subsection  
13 may reimburse themselves for their seller's tax liability by  
14 separately stating the tax as an additional charge, which  
15 charge may be stated in combination, in a single amount, with  
16 State taxes that sellers are required to collect, in  
17 accordance with such bracket schedules as the Department may  
18 prescribe.

19 Whenever the Department determines that a refund should be  
20 made under this subsection to a claimant instead of issuing a  
21 credit memorandum, the Department shall notify the State  
22 Comptroller, who shall cause the warrant to be drawn for the  
23 amount specified, and to the person named, in the notification  
24 from the Department. The refund shall be paid by the State  
25 Treasurer out of the tax fund referenced under paragraph (g)  
26 of this Section or the Local Government Aviation Trust Fund,

1 as appropriate.

2 If a tax is imposed under this subsection (b), a tax shall  
3 also be imposed at the same rate under subsections (c) and (d)  
4 of this Section.

5 For the purpose of determining whether a tax authorized  
6 under this Section is applicable, a retail sale, by a producer  
7 of coal or other mineral mined in Illinois, is a sale at retail  
8 at the place where the coal or other mineral mined in Illinois  
9 is extracted from the earth. This paragraph does not apply to  
10 coal or other mineral when it is delivered or shipped by the  
11 seller to the purchaser at a point outside Illinois so that the  
12 sale is exempt under the Federal Constitution as a sale in  
13 interstate or foreign commerce.

14 Nothing in this Section shall be construed to authorize  
15 the Authority to impose a tax upon the privilege of engaging in  
16 any business which under the Constitution of the United States  
17 may not be made the subject of taxation by this State.

18 (c) If a tax has been imposed under subsection (b), a  
19 service occupation tax shall also be imposed at the same rate  
20 upon all persons engaged, in the metropolitan area, in the  
21 business of making sales of service, who, as an incident to  
22 making those sales of service, transfer tangible personal  
23 property within the metropolitan area as an incident to a sale  
24 of service. The tax imposed under this subsection and all  
25 civil penalties that may be assessed as an incident thereof  
26 shall be collected and enforced by the Department of Revenue.



1           Beginning December 1, 2019 and through December 31, 2020,  
2 this tax is not imposed on sales of aviation fuel unless the  
3 tax revenue is expended for airport-related purposes. If the  
4 Authority does not have an airport-related purpose to which it  
5 dedicates aviation fuel tax revenue, then aviation fuel is  
6 excluded from the tax. The Authority must comply with the  
7 certification requirements for airport-related purposes under  
8 Section 2-22 of the Retailers' Occupation Tax Act. Beginning  
9 January 1, 2021, this tax is not imposed on sales of aviation  
10 fuel for so long as the revenue use requirements of 49 U.S.C.  
11 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

12           The Department has full power to administer and enforce  
13 this paragraph; to collect all taxes and penalties due  
14 hereunder; to dispose of taxes and penalties so collected in  
15 the manner hereinafter provided; and to determine all rights  
16 to credit memoranda arising on account of the erroneous  
17 payment of tax or penalty hereunder. In the administration of,  
18 and compliance with this paragraph, the Department and persons  
19 who are subject to this paragraph shall (i) have the same  
20 rights, remedies, privileges, immunities, powers, and duties,  
21 (ii) be subject to the same conditions, restrictions,  
22 limitations, penalties, exclusions, exemptions, and  
23 definitions of terms, and (iii) employ the same modes of  
24 procedure as are prescribed in Sections 2 (except that the  
25 reference to State in the definition of supplier maintaining a  
26 place of business in this State shall mean the metropolitan

1 area), 2a, 2b, 3 through 3-55 (in respect to all provisions  
2 therein other than the State rate of tax), 4 (except that the  
3 reference to the State shall be to the Authority), 5, 7, 8  
4 (except that the jurisdiction to which the tax shall be a debt  
5 to the extent indicated in that Section 8 shall be the  
6 Authority), 9 (except as to the disposition of taxes and  
7 penalties collected, and except that the returned merchandise  
8 credit for this tax may not be taken against any State tax, 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), 11,  
12 12 (except the reference therein to Section 2b of the  
13 Retailers' Occupation Tax Act), 13 (except that any reference  
14 to the State shall mean the Authority), 15, 16, 17, 18, 19 and  
15 20 of the Service Occupation Tax Act and Section 3-7 of the  
16 Uniform Penalty and Interest Act, as fully as if those  
17 provisions were set forth herein.

18 Persons subject to any tax imposed under the authority  
19 granted in this subsection may reimburse themselves for their  
20 serviceman's tax liability by separately stating the tax as an  
21 additional charge, which charge may be stated in combination,  
22 in a single amount, with State tax that servicemen are  
23 authorized to collect under the Service Use Tax Act, in  
24 accordance with such bracket schedules as the Department may  
25 prescribe.

26 Whenever the Department determines that a refund should be

1 made under this subsection to a claimant instead of issuing a  
2 credit memorandum, the Department shall notify the State  
3 Comptroller, who shall cause the warrant 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 tax fund referenced under paragraph (g)  
7 of this Section or the Local Government Aviation Trust Fund,  
8 as appropriate.

9 Nothing in this paragraph shall be construed to authorize  
10 the Authority to impose a tax upon the privilege of engaging in  
11 any business which under the Constitution of the United States  
12 may not be made the subject of taxation by the State.

13 (c-5) If, on January 1, 2025, a unit of local government  
14 has in effect a tax under this Section, or if, after January 1,  
15 2025, a unit of local government imposes a tax under this  
16 Section, then that tax applies to leases of tangible personal  
17 property in effect, entered into, or renewed on or after that  
18 date in the same manner as the tax under this Section and in  
19 accordance with the changes made by this amendatory Act of the  
20 103rd General Assembly.

21 (d) If a tax has been imposed under subsection (b), a use  
22 tax shall also be imposed at the same rate upon the privilege  
23 of using, in the metropolitan area, any item of tangible  
24 personal property that is purchased outside the metropolitan  
25 area at retail from a retailer, and that is titled or  
26 registered at a location within the metropolitan area with an

1 agency of this State's government. "Selling price" is defined  
2 as in the Use Tax Act. The tax shall be collected from persons  
3 whose Illinois address for titling or registration purposes is  
4 given as being in the metropolitan area. The tax shall be  
5 collected by the Department of Revenue for the Authority. The  
6 tax must be paid to the State, or an exemption determination  
7 must be obtained from the Department of Revenue, before the  
8 title or certificate of registration for the property may be  
9 issued. The tax or proof of exemption may be transmitted to the  
10 Department by way of the State agency with which, or the State  
11 officer with whom, the tangible personal property must be  
12 titled or registered if the Department and the State agency or  
13 State officer determine that this procedure will expedite the  
14 processing of applications for title or registration.

15 The Department has full power to administer and enforce  
16 this paragraph; to collect all taxes, penalties and interest  
17 due hereunder; to dispose of taxes, penalties and interest so  
18 collected in the manner hereinafter provided; and to determine  
19 all rights to credit memoranda or refunds arising on account  
20 of the erroneous payment of tax, penalty or interest  
21 hereunder. In the administration of, and compliance with, this  
22 subsection, the Department and persons who are subject to this  
23 paragraph shall (i) have the same rights, remedies,  
24 privileges, immunities, powers, and duties, (ii) be subject to  
25 the same conditions, restrictions, limitations, penalties,  
26 exclusions, exemptions, and definitions of terms, and (iii)

1 employ the same modes of procedure as are prescribed in  
2 Sections 2 (except the definition of "retailer maintaining a  
3 place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55,  
4 3-65, 3-70, 3-85, 3a, 4, 6, 7, 8 (except that the jurisdiction  
5 to which the tax shall be a debt to the extent indicated in  
6 that Section 8 shall be the Authority), 9 (except provisions  
7 relating to quarter monthly payments), 10, 11, 12, 12a, 12b,  
8 13, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Section  
9 3-7 of the Uniform Penalty and Interest Act, that are not  
10 inconsistent with this paragraph, as fully as if those  
11 provisions were set forth herein.

12 Whenever the Department determines that a refund should be  
13 made under this subsection to a claimant instead of issuing a  
14 credit memorandum, the Department shall notify the State  
15 Comptroller, who shall cause the order to be drawn for the  
16 amount specified, and to the person named, in the notification  
17 from the Department. The refund shall be paid by the State  
18 Treasurer out of the tax fund referenced under paragraph (g)  
19 of this Section.

20 (e) A certificate of registration issued by the State  
21 Department of Revenue to a retailer under the Retailers'  
22 Occupation Tax Act or under the Service Occupation Tax Act  
23 shall permit the registrant to engage in a business that is  
24 taxed under the tax imposed under paragraphs (b), (c), or (d)  
25 of this Section and no additional registration shall be  
26 required. A certificate issued under the Use Tax Act or the

1 Service Use Tax Act shall be applicable with regard to any tax  
2 imposed under paragraph (c) of this Section.

3 (f) The results of any election authorizing a proposition  
4 to impose a tax under this Section or effecting a change in the  
5 rate of tax shall be certified by the proper election  
6 authorities and filed with the Illinois Department on or  
7 before the first day of April. In addition, an ordinance  
8 imposing, discontinuing, or effecting a change in the rate of  
9 tax under this Section shall be adopted and a certified copy  
10 thereof filed with the Department on or before the first day of  
11 April. After proper receipt of such certifications, the  
12 Department shall proceed to administer and enforce this  
13 Section as of the first day of July next following such  
14 adoption and filing.

15 (g) Except as otherwise provided, the Department of  
16 Revenue shall, upon collecting any taxes and penalties as  
17 provided in this Section, pay the taxes and penalties over to  
18 the State Treasurer as trustee for the Authority. The taxes  
19 and penalties shall be held in a trust fund outside the State  
20 Treasury. Taxes and penalties collected on aviation fuel sold  
21 on or after December 1, 2019 and through December 31, 2020,  
22 shall be immediately paid over by the Department to the State  
23 Treasurer, ex officio, as trustee, for deposit into the Local  
24 Government Aviation Trust Fund. The Department shall only pay  
25 moneys into the Local Government Aviation Trust Fund under  
26 this Section for so long as the revenue use requirements of 49

1 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
2 District. On or before the 25th day of each calendar month, the  
3 Department of Revenue shall prepare and certify to the  
4 Comptroller of the State of Illinois the amount to be paid to  
5 the Authority, which shall be the balance in the fund, less any  
6 amount determined by the Department to be necessary for the  
7 payment of refunds and not including taxes and penalties  
8 collected on aviation fuel sold on or after December 1, 2019.  
9 Within 10 days after receipt by the Comptroller of the  
10 certification of the amount to be paid to the Authority, the  
11 Comptroller shall cause an order to be drawn for payment for  
12 the amount in accordance with the directions contained in the  
13 certification. Amounts received from the tax imposed under  
14 this Section shall be used only for the support, construction,  
15 maintenance, or financing of a facility of the Authority.

16 (h) When certifying the amount of a monthly disbursement  
17 to the Authority under this Section, the Department shall  
18 increase or decrease the amounts by an amount necessary to  
19 offset any miscalculation of previous disbursements. The  
20 offset amount shall be the amount erroneously disbursed within  
21 the previous 6 months from the time a miscalculation is  
22 discovered.

23 (i) This Section may be cited as the Salem Civic Center Use  
24 and Occupation Tax Law.

25 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

1 Section 75-45. The Flood Prevention District Act is  
2 amended by changing Section 25 as follows:

3 (70 ILCS 750/25)

4 Sec. 25. Flood prevention retailers' and service  
5 occupation taxes.

6 (a) If the Board of Commissioners of a flood prevention  
7 district determines that an emergency situation exists  
8 regarding levee repair or flood prevention, and upon an  
9 ordinance confirming the determination adopted by the  
10 affirmative vote of a majority of the members of the county  
11 board of the county in which the district is situated, the  
12 county may impose a flood prevention retailers' occupation tax  
13 upon all persons engaged in the business of selling tangible  
14 personal property at retail within the territory of the  
15 district to provide revenue to pay the costs of providing  
16 emergency levee repair and flood prevention and to secure the  
17 payment of bonds, notes, and other evidences of indebtedness  
18 issued under this Act for a period not to exceed 25 years or as  
19 required to repay the bonds, notes, and other evidences of  
20 indebtedness issued under this Act. The tax rate shall be  
21 0.25% of the gross receipts from all taxable sales made in the  
22 course of that business. Beginning December 1, 2019 and  
23 through December 31, 2020, this tax is not imposed on sales of  
24 aviation fuel unless the tax revenue is expended for  
25 airport-related purposes. If the District does not have an



1 airport-related purpose to which it dedicates aviation fuel  
2 tax revenue, then aviation fuel is excluded from the tax. The  
3 County must comply with the certification requirements for  
4 airport-related purposes under Section 2-22 of the Retailers'  
5 Occupation Tax Act. The tax imposed under this Section and all  
6 civil penalties that may be assessed as an incident thereof  
7 shall be collected and enforced by the State Department of  
8 Revenue. The Department shall have full power to administer  
9 and enforce this Section; to collect all taxes and penalties  
10 so collected in the manner hereinafter provided; and to  
11 determine all rights to credit memoranda arising on account of  
12 the erroneous payment of tax or penalty hereunder.

13 For purposes of this Act, "airport-related purposes" has  
14 the meaning ascribed in Section 6z-20.2 of the State Finance  
15 Act. Beginning January 1, 2021, this tax is not imposed on  
16 sales of aviation fuel 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 District.

19 In the administration of and compliance with this  
20 subsection, the Department and persons who are subject to this  
21 subsection (i) have the same rights, remedies, privileges,  
22 immunities, powers, and duties, (ii) are subject to the same  
23 conditions, restrictions, limitations, penalties, and  
24 definitions of terms, and (iii) shall employ the same modes of  
25 procedure as are set forth in Sections 1 through 10, 2 through  
26 2-70 (in respect to all provisions contained in those Sections

1 other than the State rate of tax), 2a through 2h, 3 (except as  
2 to the disposition of taxes and penalties collected, and  
3 except that the retailer's discount is not allowed for taxes  
4 paid on aviation fuel that are subject to the revenue use  
5 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
6 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7,  
7 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax  
8 Act and all provisions of the Uniform Penalty and Interest Act  
9 as if those provisions were set forth in this subsection.

10 Persons subject to any tax imposed under this Section may  
11 reimburse themselves for their seller's tax liability  
12 hereunder by separately stating the tax as an additional  
13 charge, which charge may be stated in combination in a single  
14 amount with State taxes that sellers are required to collect  
15 under the Use Tax Act, under any bracket schedules the  
16 Department may prescribe.

17 If a tax is imposed under this subsection (a), a tax shall  
18 also be imposed under subsection (b) of this Section.

19 (b) If a tax has been imposed under subsection (a), a flood  
20 prevention service occupation tax shall also be imposed upon  
21 all persons engaged within the territory of the district in  
22 the business of making sales of service, who, as an incident to  
23 making the sales of service, transfer tangible personal  
24 property, either in the form of tangible personal property or  
25 in the form of real estate as an incident to a sale of service  
26 to provide revenue to pay the costs of providing emergency

1 levee repair and flood prevention and to secure the payment of  
2 bonds, notes, and other evidences of indebtedness issued under  
3 this Act for a period not to exceed 25 years or as required to  
4 repay the bonds, notes, and other evidences of indebtedness.  
5 The tax rate shall be 0.25% of the selling price of all  
6 tangible personal property transferred. Beginning December 1,  
7 2019 and through December 31, 2020, this tax is not imposed on  
8 sales of 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 it dedicates aviation fuel  
11 tax revenue, then aviation fuel is excluded from the tax. The  
12 County must comply with the certification requirements for  
13 airport-related purposes under Section 2-22 of the Retailers'  
14 Occupation Tax Act. For purposes of this Act, "airport-related  
15 purposes" has the meaning ascribed in Section 6z-20.2 of the  
16 State Finance Act. Beginning January 1, 2021, this tax is not  
17 imposed on sales of aviation fuel for so long as the revenue  
18 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
19 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 State Department of Revenue. The  
23 Department shall have full power to administer and enforce  
24 this subsection; to collect all taxes and penalties due  
25 hereunder; to dispose of taxes and penalties collected in the  
26 manner hereinafter provided; and to determine all rights to

1 credit memoranda arising on account of the erroneous payment  
2 of tax or penalty hereunder.

3 In the administration of and compliance with this  
4 subsection, the Department and persons who are subject to this  
5 subsection 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 set forth in Sections 2 (except that the  
10 reference to State in the definition of supplier maintaining a  
11 place of business in this State means the district), 2a  
12 through 2d, 3 through 3-50 (in respect to all provisions  
13 contained in those Sections other than the State rate of tax),  
14 4 (except that the reference to the State shall be to the  
15 district), 5, 7, 8 (except that the jurisdiction to which the  
16 tax is a debt to the extent indicated in that Section 8 is the  
17 district), 9 (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), 10, 11, 12 (except the reference therein to  
22 Section 2b of the Retailers' Occupation Tax Act), 13 (except  
23 that any reference to the State means the district), Section  
24 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act  
25 and all provisions of the Uniform Penalty and Interest Act, as  
26 fully as if those provisions were set forth herein.

1           Persons subject to any tax imposed under the authority  
2 granted in this subsection may reimburse themselves for their  
3 serviceman's tax liability hereunder by separately stating the  
4 tax as an additional charge, that charge may be stated in  
5 combination in a single amount with State tax that servicemen  
6 are authorized to collect under the Service Use Tax Act, under  
7 any bracket schedules the Department may prescribe.

8           (c) The taxes imposed in subsections (a) and (b) may not be  
9 imposed on personal property titled or registered with an  
10 agency of the State or on personal property taxed at the 1%  
11 rate under the Retailers' Occupation Tax Act and the Service  
12 Occupation Tax Act (or at the 0% rate imposed under this  
13 amendatory Act of the 102nd General Assembly).

14           (c-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           (d) Nothing in this Section shall be construed to  
23 authorize the district to impose a tax upon the privilege of  
24 engaging in any business that under the Constitution of the  
25 United States may not be made the subject of taxation by the  
26 State.

1           (e) The certificate of registration that is issued by the  
2 Department to a retailer under the Retailers' Occupation Tax  
3 Act or a serviceman under the Service Occupation Tax Act  
4 permits the retailer or serviceman to engage in a business  
5 that is taxable without registering separately with the  
6 Department under an ordinance or resolution under this  
7 Section.

8           (f) Except as otherwise provided, the Department shall  
9 immediately pay over to the State Treasurer, ex officio, as  
10 trustee, all taxes and penalties collected under this Section  
11 to be deposited into the Flood Prevention Occupation Tax Fund,  
12 which shall be an unappropriated trust fund held outside the  
13 State treasury. Taxes and penalties collected on aviation fuel  
14 sold on or after December 1, 2019 and through December 31,  
15 2020, shall be immediately paid over by the Department to the  
16 State Treasurer, ex officio, as trustee, for deposit into the  
17 Local Government Aviation Trust Fund. The Department shall  
18 only pay moneys into the Local Government Aviation Trust Fund  
19 under this Act for so long as the revenue use requirements of  
20 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
21 District.

22           On or before the 25th day of each calendar month, the  
23 Department shall prepare and certify to the Comptroller the  
24 disbursement of stated sums of money to the counties from  
25 which retailers or servicemen have paid taxes or penalties to  
26 the Department during the second preceding calendar month. The

1 amount to be paid to each county is equal to the amount (not  
2 including credit memoranda and not including taxes and  
3 penalties collected on aviation fuel sold on or after December  
4 1, 2019 and through December 31, 2020) collected from the  
5 county under this Section during the second preceding calendar  
6 month by the Department, (i) less 2% of that amount (except the  
7 amount collected on aviation fuel sold on or after December 1,  
8 2019 and through December 31, 2020), which shall be deposited  
9 into the Tax Compliance and Administration Fund and shall be  
10 used by the Department in administering and enforcing the  
11 provisions of this Section on behalf of the county, (ii) plus  
12 an amount that the Department determines is necessary to  
13 offset any amounts that were erroneously paid to a different  
14 taxing body; (iii) less an amount equal to the amount of  
15 refunds made during the second preceding calendar month by the  
16 Department on behalf of the county; and (iv) less any amount  
17 that the Department determines is necessary to offset any  
18 amounts that were payable to a different taxing body but were  
19 erroneously paid to the county. When certifying the amount of  
20 a monthly disbursement to a county under this Section, the  
21 Department shall increase or decrease the amounts by an amount  
22 necessary to offset any miscalculation of previous  
23 disbursements within the previous 6 months from the time a  
24 miscalculation is discovered.

25       Within 10 days after receipt by the Comptroller from the  
26 Department of the disbursement certification to the counties

1 provided for in this Section, the Comptroller shall cause the  
2 orders to be drawn for the respective amounts in accordance  
3 with directions contained in the certification.

4 If the Department determines that a refund should be made  
5 under this Section to a claimant instead of issuing a credit  
6 memorandum, then the Department shall notify the Comptroller,  
7 who shall cause the order to be drawn for the amount specified  
8 and to the person named in the notification from the  
9 Department. The refund shall be paid by the Treasurer out of  
10 the Flood Prevention Occupation Tax Fund or the Local  
11 Government Aviation Trust Fund, as appropriate.

12 (g) If a county imposes a tax under this Section, then the  
13 county board shall, by ordinance, discontinue the tax upon the  
14 payment of all indebtedness of the flood prevention district.  
15 The tax shall not be discontinued until all indebtedness of  
16 the District has been paid.

17 (h) Any ordinance imposing the tax under this Section, or  
18 any ordinance that discontinues the tax, must be certified by  
19 the county clerk and filed with the Illinois Department of  
20 Revenue either (i) on or before the first day of April,  
21 whereupon the Department shall proceed to administer and  
22 enforce the tax or change in the rate as of the first day of  
23 July next following the filing; or (ii) on or before the first  
24 day of October, whereupon the Department shall proceed to  
25 administer and enforce the tax or change in the rate as of the  
26 first day of January next following the filing.



1           (j) County Flood Prevention Occupation Tax Fund. All  
2 proceeds received by a county from a tax distribution under  
3 this Section must be maintained in a special fund known as the  
4 [name of county] flood prevention occupation tax fund. The  
5 county shall, at the direction of the flood prevention  
6 district, use moneys in the fund to pay the costs of providing  
7 emergency levee repair and flood prevention and to pay bonds,  
8 notes, and other evidences of indebtedness issued under this  
9 Act.

10           (k) This Section may be cited as the Flood Prevention  
11 Occupation Tax Law.

12           (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19;  
13 102-700, eff. 4-19-22.)

14           Section 75-50. The Metro-East Park and Recreation District  
15 Act is amended by changing Section 30 as follows:

16           (70 ILCS 1605/30)

17           Sec. 30. Taxes.

18           (a) The board shall impose a tax upon all persons engaged  
19 in the business of selling tangible personal property, other  
20 than personal property titled or registered with an agency of  
21 this State's government, at retail in the District on the  
22 gross receipts from the sales made in the course of business.  
23 This tax shall be imposed only at the rate of one-tenth of one  
24 per cent.

1           This additional tax may not be imposed on tangible  
2 personal property taxed at the 1% rate under the Retailers'  
3 Occupation Tax Act (or at the 0% rate imposed under this  
4 amendatory Act of the 102nd General Assembly). Beginning  
5 December 1, 2019 and through December 31, 2020, this tax is not  
6 imposed on sales of aviation fuel unless the tax revenue is  
7 expended for airport-related purposes. If the District does  
8 not have an airport-related purpose to which it dedicates  
9 aviation fuel tax revenue, then aviation fuel shall be  
10 excluded from tax. The board must comply with the  
11 certification requirements for airport-related purposes under  
12 Section 2-22 of the Retailers' Occupation Tax Act. For  
13 purposes of this Act, "airport-related purposes" has the  
14 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
15 Beginning January 1, 2021, this tax is not imposed on sales of  
16 aviation fuel for so long as the revenue use requirements of 49  
17 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
18 District. The tax imposed by the Board under this Section and  
19 all civil penalties that may be assessed as an incident of the  
20 tax shall be collected and enforced by the Department of  
21 Revenue. The certificate of registration that is issued by the  
22 Department to a retailer under the Retailers' Occupation Tax  
23 Act shall permit the retailer to engage in a business that is  
24 taxable without registering separately with the Department  
25 under an ordinance or resolution under this Section. The  
26 Department has full power to administer and enforce this

1 Section, to collect all taxes and penalties due under this  
2 Section, to dispose of taxes and penalties so collected in the  
3 manner provided in this Section, and to determine all rights  
4 to credit memoranda arising on account of the erroneous  
5 payment of a tax or penalty under this Section. In the  
6 administration of and compliance with this Section, the  
7 Department and persons who are subject to this Section shall  
8 (i) have the same rights, remedies, privileges, immunities,  
9 powers, and duties, (ii) be subject to the same conditions,  
10 restrictions, limitations, penalties, and definitions of  
11 terms, and (iii) employ the same modes of procedure as are  
12 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,  
13 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions  
14 contained in those Sections other than the State rate of tax),  
15 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions  
16 relating to transaction returns and quarter monthly payments,  
17 and except that the retailer's discount is not allowed for  
18 taxes paid on aviation fuel that are subject to the revenue use  
19 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
20 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,  
21 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
22 Occupation Tax Act and the Uniform Penalty and Interest Act as  
23 if those provisions were set forth in this Section.

24 Persons subject to any tax imposed under the authority  
25 granted in this Section may reimburse themselves for their  
26 sellers' tax liability by separately stating the tax as an

1 additional charge, which charge may be stated in combination,  
2 in a single amount, with State tax which sellers are required  
3 to collect under the Use Tax Act, pursuant to such bracketed  
4 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 State Metro-East Park and Recreation  
12 District Fund or the Local Government Aviation Trust Fund, as  
13 appropriate.

14 (b) If a tax has been imposed under subsection (a), a  
15 service occupation tax shall also be imposed at the same rate  
16 upon all persons engaged, in the District, 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 District as an incident to a sale of service. This tax may  
20 not be imposed on tangible personal property taxed at the 1%  
21 rate under the Service Occupation Tax Act (or at the 0% rate  
22 imposed under this amendatory Act of the 102nd General  
23 Assembly). Beginning December 1, 2019 and through December 31,  
24 2020, this tax may not be imposed on sales of aviation fuel  
25 unless the tax revenue is expended for airport-related  
26 purposes. If the District does not have an airport-related

1 purpose to which it dedicates aviation fuel tax revenue, then  
2 aviation fuel shall be excluded from tax. The board must  
3 comply with the certification requirements for airport-related  
4 purposes under Section 2-22 of the Retailers' Occupation Tax  
5 Act. 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. The tax imposed under this subsection  
11 and all civil penalties that may be assessed as an incident  
12 thereof shall be collected and enforced by the Department of  
13 Revenue. The Department has full power to administer and  
14 enforce this subsection; to collect all taxes and penalties  
15 due hereunder; to dispose of taxes and penalties so collected  
16 in the manner hereinafter provided; and to determine all  
17 rights to credit memoranda arising on account of the erroneous  
18 payment of tax or penalty hereunder. In the administration of,  
19 and compliance with this subsection, the Department and  
20 persons who are subject to this paragraph shall (i) have the  
21 same rights, remedies, privileges, immunities, powers, and  
22 duties, (ii) be subject to the same conditions, restrictions,  
23 limitations, penalties, exclusions, exemptions, and  
24 definitions of terms, and (iii) employ the same modes of  
25 procedure as are prescribed in Sections 2 (except that the  
26 reference to State in the definition of supplier maintaining a

1 place of business in this State shall mean the District), 2a,  
2 2b, 2c, 3 through 3-50 (in respect to all provisions therein  
3 other than the State rate of tax), 4 (except that the reference  
4 to the State shall be to the District), 5, 7, 8 (except that  
5 the jurisdiction to which the tax shall be a debt to the extent  
6 indicated in that Section 8 shall be the District), 9 (except  
7 as to the disposition of taxes and penalties collected, and  
8 except that the retailer's discount is not allowed for taxes  
9 paid on aviation fuel that are subject to the revenue use  
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,  
11 11, 12 (except the reference therein to Section 2b of the  
12 Retailers' Occupation Tax Act), 13 (except that any reference  
13 to the State shall mean the District), Sections 15, 16, 17, 18,  
14 19 and 20 of the Service Occupation Tax Act and the Uniform  
15 Penalty and Interest Act, as fully as if those provisions were  
16 set forth herein.

17 Persons subject to any tax imposed under the authority  
18 granted in this subsection may reimburse themselves for their  
19 serviceman's tax liability by separately stating the tax as an  
20 additional charge, which charge may be stated in combination,  
21 in a single amount, with State tax that servicemen are  
22 authorized to collect under the Service Use Tax Act, in  
23 accordance with such bracket schedules as the Department may  
24 prescribe.

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 the 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 State Metro-East Park and Recreation  
6 District Fund or the Local Government Aviation Trust Fund, as  
7 appropriate.

8 Nothing in this subsection shall be construed to authorize  
9 the board to impose a tax upon the privilege of engaging in any  
10 business which under the Constitution of the United States may  
11 not be made the subject of taxation by the State.

12 (b-5) If, on January 1, 2025, a unit of local government  
13 has in effect a tax under this Section, or if, after January 1,  
14 2025, a unit of local government imposes a tax under this  
15 Section, then that tax applies to leases of tangible personal  
16 property in effect, entered into, or renewed on or after that  
17 date in the same manner as the tax under this Section and in  
18 accordance with the changes made by this amendatory Act of the  
19 103rd General Assembly.

20 (c) Except as otherwise provided in this paragraph, the  
21 Department shall immediately pay over to the State Treasurer,  
22 ex officio, as trustee, all taxes and penalties collected  
23 under this Section to be deposited into the State Metro-East  
24 Park and Recreation District Fund, which shall be an  
25 unappropriated trust fund held outside of the State treasury.  
26 Taxes and penalties collected on aviation fuel sold on or

1 after December 1, 2019 and through December 31, 2020, shall be  
2 immediately paid over by the Department to the State  
3 Treasurer, ex officio, as trustee, for deposit into the Local  
4 Government Aviation Trust Fund. The Department shall only pay  
5 moneys into the Local Government Aviation Trust Fund under  
6 this Act 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  
8 District.

9 As soon as possible after the first day of each month,  
10 beginning January 1, 2011, upon certification of the  
11 Department of Revenue, the Comptroller shall order  
12 transferred, and the Treasurer shall transfer, to the STAR  
13 Bonds Revenue Fund the local sales tax increment, as defined  
14 in the Innovation Development and Economy Act, collected under  
15 this Section during the second preceding calendar month for  
16 sales within a STAR bond district. The Department shall make  
17 this certification only if the Metro East Park and Recreation  
18 District imposes a tax on real property as provided in the  
19 definition of "local sales taxes" under the Innovation  
20 Development and Economy Act.

21 After the monthly transfer to the STAR Bonds Revenue Fund,  
22 on or before the 25th day of each calendar month, the  
23 Department shall prepare and certify to the Comptroller the  
24 disbursement of stated sums of money pursuant to Section 35 of  
25 this Act to the District from which retailers have paid taxes  
26 or penalties to the Department during the second preceding



1 calendar month. The amount to be paid to the District shall be  
2 the amount (not including credit memoranda and not including  
3 taxes and penalties collected on aviation fuel sold on or  
4 after December 1, 2019 and through December 31, 2020)  
5 collected under this Section during the second preceding  
6 calendar month by the Department plus an amount the Department  
7 determines is necessary to offset any amounts that were  
8 erroneously paid to a different taxing body, and not including  
9 (i) an amount equal to the amount of refunds made during the  
10 second preceding calendar month by the Department on behalf of  
11 the District, (ii) any amount that the Department determines  
12 is necessary to offset any amounts that were payable to a  
13 different taxing body but were erroneously paid to the  
14 District, (iii) any amounts that are transferred to the STAR  
15 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the  
16 Department shall transfer into the Tax Compliance and  
17 Administration Fund. The Department, at the time of each  
18 monthly disbursement to the District, shall prepare and  
19 certify to the State Comptroller the amount to be transferred  
20 into the Tax Compliance and Administration Fund under this  
21 subsection. Within 10 days after receipt by the Comptroller of  
22 the disbursement certification to the District and the Tax  
23 Compliance and Administration Fund provided for in this  
24 Section to be given to the Comptroller by the Department, the  
25 Comptroller shall cause the orders to be drawn for the  
26 respective amounts in accordance with directions contained in

1 the certification.

2 (d) For the purpose of determining whether a tax  
3 authorized under this Section is applicable, a retail sale by  
4 a producer of coal or another mineral mined in Illinois is a  
5 sale at retail at the place where the coal or other mineral  
6 mined in Illinois is extracted from the earth. This paragraph  
7 does not apply to coal or another mineral when it is delivered  
8 or shipped by the seller to the purchaser at a point outside  
9 Illinois so that the sale is exempt under the United States  
10 Constitution as a sale in interstate or foreign commerce.

11 (e) Nothing in this Section shall be construed to  
12 authorize the board to impose a tax upon the privilege of  
13 engaging in any business that under the Constitution of the  
14 United States may not be made the subject of taxation by this  
15 State.

16 (f) An ordinance imposing a tax under this Section or an  
17 ordinance extending the imposition of a tax to an additional  
18 county or counties shall be certified by the board and filed  
19 with the Department of Revenue either (i) on or before the  
20 first day of April, whereupon the Department shall proceed to  
21 administer and enforce the tax as of the first day of July next  
22 following the filing; or (ii) on or before the first day of  
23 October, whereupon the Department shall proceed to administer  
24 and enforce the tax as of the first day of January next  
25 following the filing.

26 (g) When certifying the amount of a monthly disbursement

1 to the District under this Section, the Department shall  
2 increase or decrease the amounts by an amount necessary to  
3 offset any misallocation of previous disbursements. The offset  
4 amount shall be the amount erroneously disbursed within the  
5 previous 6 months from the time a misallocation is discovered.

6 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
7 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

8 Section 75-55. The Local Mass Transit District Act is  
9 amended by changing Section 5.01 as follows:

10 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

11 Sec. 5.01. Metro East Mass Transit District; use and  
12 occupation taxes.

13 (a) The Board of Trustees of any Metro East Mass Transit  
14 District may, by ordinance adopted with the concurrence of  
15 two-thirds of the then trustees, impose throughout the  
16 District any or all of the taxes and fees provided in this  
17 Section. Except as otherwise provided, all taxes and fees  
18 imposed under this Section shall be used only for public mass  
19 transportation systems, and the amount used to provide mass  
20 transit service to unserved areas of the District shall be in  
21 the same proportion to the total proceeds as the number of  
22 persons residing in the unserved areas is to the total  
23 population of the District. Except as otherwise provided in  
24 this Act, taxes imposed under this Section and civil penalties

1 imposed incident thereto shall be collected and enforced by  
2 the State Department of Revenue. The Department shall have the  
3 power to administer and enforce the taxes and to determine all  
4 rights for refunds for erroneous payments of the taxes.

5 (b) The Board may impose a Metro East Mass Transit  
6 District Retailers' Occupation Tax upon all persons engaged in  
7 the business of selling tangible personal property at retail  
8 in the district at a rate of 1/4 of 1%, or as authorized under  
9 subsection (d-5) of this Section, of the gross receipts from  
10 the sales made in the course of such business within the  
11 district, except that the rate of tax imposed under this  
12 Section on sales of aviation fuel on or after December 1, 2019  
13 shall be 0.25% in Madison County unless the Metro-East Mass  
14 Transit District in Madison County has an "airport-related  
15 purpose" and any additional amount authorized under subsection  
16 (d-5) is expended for airport-related purposes. If there is no  
17 airport-related purpose to which aviation fuel tax revenue is  
18 dedicated, then aviation fuel is excluded from any additional  
19 amount authorized under subsection (d-5). The rate in St.  
20 Clair County shall be 0.25% unless the Metro-East Mass Transit  
21 District in St. Clair County has an "airport-related purpose"  
22 and the additional 0.50% of the 0.75% tax on aviation fuel  
23 imposed in that County is expended for airport-related  
24 purposes. If there is no airport-related purpose to which  
25 aviation fuel tax revenue is dedicated, then aviation fuel is  
26 excluded from the additional 0.50% of the 0.75% tax.

1           The Board must comply with the certification requirements  
2 for airport-related purposes under Section 2-22 of the  
3 Retailers' Occupation Tax Act. For purposes of this Section,  
4 "airport-related purposes" has the meaning ascribed in Section  
5 6z-20.2 of the State Finance Act. This exclusion for aviation  
6 fuel only applies for so long as the revenue use requirements  
7 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
8 District.

9           The tax imposed under this Section and all civil penalties  
10 that may be assessed as an incident thereof shall be collected  
11 and enforced by the State Department of Revenue. The  
12 Department shall have full power to administer and enforce  
13 this Section; to collect all taxes and penalties so collected  
14 in the manner hereinafter provided; and to determine all  
15 rights to credit memoranda arising on account of the erroneous  
16 payment of tax or penalty hereunder. In the administration of,  
17 and compliance with, this Section, the Department and persons  
18 who are subject to this Section shall have the same rights,  
19 remedies, privileges, immunities, powers and duties, and be  
20 subject to the same conditions, restrictions, limitations,  
21 penalties, exclusions, exemptions and definitions of terms and  
22 employ the same modes of procedure, as are prescribed in  
23 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65  
24 (in respect to all provisions therein other than the State  
25 rate of tax), 2c, 3 (except as to the disposition of taxes and  
26 penalties collected, and except that the retailer's discount

1 is not allowed for taxes paid on aviation fuel that are subject  
2 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
3 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,  
4 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of the  
5 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
6 Penalty and Interest Act, as fully as if those provisions were  
7 set forth herein.

8 Persons subject to any tax imposed under the Section may  
9 reimburse themselves for their seller's tax liability  
10 hereunder by separately stating the tax as an additional  
11 charge, which charge may be stated in combination, in a single  
12 amount, with State taxes that sellers are required to collect  
13 under the Use Tax Act, in accordance with such bracket  
14 schedules as the Department may prescribe.

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 Metro East Mass Transit District tax fund  
22 established under paragraph (h) of this Section or the Local  
23 Government Aviation Trust Fund, as appropriate.

24 If a tax is imposed under this subsection (b), a tax shall  
25 also be imposed under subsections (c) and (d) of this Section.

26 For the purpose of determining whether a tax authorized

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

9 No tax shall be imposed or collected under this subsection  
10 on the sale of a motor vehicle in this State to a resident of  
11 another state if that motor vehicle will not be titled in this  
12 State.

13 Nothing in this Section shall be construed to authorize  
14 the Metro East Mass Transit District to impose a tax upon the  
15 privilege of engaging in any business which under the  
16 Constitution of the United States may not be made the subject  
17 of taxation by this State.

18 (c) If a tax has been imposed under subsection (b), a Metro  
19 East Mass Transit District Service Occupation Tax shall also  
20 be imposed upon all persons engaged, in the district, in the  
21 business of making sales of service, who, as an incident to  
22 making those sales of service, transfer tangible personal  
23 property within the 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 rate shall be 1/4%, or as  
26 authorized under subsection (d-5) of this Section, of the

1 selling price of tangible personal property so transferred  
2 within the district, except that the rate of tax imposed in  
3 these Counties under this Section on sales of aviation fuel on  
4 or after December 1, 2019 shall be 0.25% in Madison County  
5 unless the Metro-East Mass Transit District in Madison County  
6 has an "airport-related purpose" and any additional amount  
7 authorized under subsection (d-5) is expended for  
8 airport-related purposes. If there is no airport-related  
9 purpose to which aviation fuel tax revenue is dedicated, then  
10 aviation fuel is excluded from any additional amount  
11 authorized under subsection (d-5). The rate in St. Clair  
12 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 is  
15 expended for airport-related purposes. If there is no  
16 airport-related purpose to which aviation fuel tax revenue is  
17 dedicated, then aviation fuel is excluded from the additional  
18 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 paragraph and all civil  
2 penalties that may be assessed as an incident thereof shall be  
3 collected and enforced by the State Department of Revenue. The  
4 Department shall have 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 have the same rights,  
12 remedies, privileges, immunities, powers and duties, and be  
13 subject to the same conditions, restrictions, limitations,  
14 penalties, exclusions, exemptions and definitions of terms and  
15 employ the same modes of procedure as are prescribed in  
16 Sections 1a-1, 2 (except that the reference to State in the  
17 definition of supplier maintaining a place of business in this  
18 State shall mean the Authority), 2a, 3 through 3-50 (in  
19 respect to all provisions therein other than the State rate of  
20 tax), 4 (except that the reference to the State shall be to the  
21 Authority), 5, 7, 8 (except that the jurisdiction to which the  
22 tax shall be a debt to the extent indicated in that Section 8  
23 shall be the District), 9 (except as to the disposition of  
24 taxes and penalties collected, and except that the returned  
25 merchandise credit for this tax may not be taken against any  
26 State tax, 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), 10, 11, 12 (except the reference therein to Section 2b  
4 of the Retailers' Occupation Tax Act), 13 (except that any  
5 reference to the State shall mean the District), the first  
6 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service  
7 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
8 Interest Act, as fully as if those provisions were set forth  
9 herein.

10 Persons subject to any tax imposed under the authority  
11 granted in this paragraph may reimburse themselves for their  
12 serviceman's tax liability hereunder by separately stating the  
13 tax as an additional charge, which charge may be stated in  
14 combination, in a single amount, with State tax that  
15 servicemen are authorized to collect under the Service Use Tax  
16 Act, in accordance with such bracket schedules as the  
17 Department may prescribe.

18 Whenever the Department determines that a refund should be  
19 made under this paragraph 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 Metro East Mass Transit District tax fund  
25 established under paragraph (h) of this Section or the Local  
26 Government Aviation Trust Fund, as appropriate.

1           Nothing in this paragraph shall be construed to authorize  
2 the District 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           (d) If a tax has been imposed under subsection (b), a Metro  
6 East Mass Transit District Use Tax shall also be imposed upon  
7 the privilege of using, in the district, any item of tangible  
8 personal property that is purchased outside the district at  
9 retail from a retailer, and that is titled or registered with  
10 an agency of this State's government, at a rate of 1/4%, or as  
11 authorized under subsection (d-5) of this Section, of the  
12 selling price of the tangible personal property within the  
13 District, as "selling price" is defined in the Use Tax Act. The  
14 tax shall be collected from persons whose Illinois address for  
15 titling or registration purposes is given as being in the  
16 District. The tax shall be collected by the Department of  
17 Revenue for the Metro East Mass Transit District. The tax must  
18 be paid to the State, or an exemption determination must be  
19 obtained from the Department of Revenue, before the title or  
20 certificate of registration for the property may be issued.  
21 The tax or proof of exemption may be transmitted to the  
22 Department by way of the State agency with which, or the State  
23 officer with whom, the tangible personal property must be  
24 titled or registered if the Department and the State agency or  
25 State officer determine that this procedure will expedite the  
26 processing of applications for title or registration.

1           The Department shall have full power to administer and  
2 enforce this paragraph; to collect all taxes, penalties and  
3 interest due hereunder; to dispose of taxes, penalties and  
4 interest so collected in the manner hereinafter provided; and  
5 to determine all rights to credit memoranda or refunds arising  
6 on account of the erroneous payment of tax, penalty or  
7 interest hereunder. In the administration of, and compliance  
8 with, this paragraph, the Department and persons who are  
9 subject to this paragraph shall have the same rights,  
10 remedies, privileges, immunities, powers and duties, and be  
11 subject to the same conditions, restrictions, limitations,  
12 penalties, exclusions, exemptions and definitions of terms and  
13 employ the same modes of procedure, as are prescribed in  
14 Sections 2 (except the definition of "retailer maintaining a  
15 place of business in this State"), 3 through 3-80 (except  
16 provisions pertaining to the State rate of tax, and except  
17 provisions concerning collection or refunding of the tax by  
18 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions  
19 pertaining to claims by retailers and except the last  
20 paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act  
21 and Section 3-7 of the Uniform Penalty and Interest Act, that  
22 are not inconsistent with this paragraph, as fully as if those  
23 provisions were set forth herein.

24           Whenever the Department determines that a refund should be  
25 made under this paragraph to a claimant instead of issuing a  
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the order 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 Metro East Mass Transit District tax fund  
5 established under paragraph (h) of this Section.

6 (d-1) If, on January 1, 2025, a unit of local government  
7 has in effect a tax under subsections (b), (c), and (d) or if,  
8 after January 1, 2025, a unit of local government imposes a tax  
9 under subsections (b), (c), and (d), then that tax applies to  
10 leases of tangible personal property in effect, entered into,  
11 or renewed on or after that date in the same manner as the tax  
12 under this Section and in accordance with the changes made by  
13 this amendatory Act of the 103rd General Assembly.

14 (d-5) (A) The county board of any county participating in  
15 the Metro East Mass Transit District may authorize, by  
16 ordinance, a referendum on the question of whether the tax  
17 rates for the Metro East Mass Transit District Retailers'  
18 Occupation Tax, the Metro East Mass Transit District Service  
19 Occupation Tax, and the Metro East Mass Transit District Use  
20 Tax for the District should be increased from 0.25% to 0.75%.  
21 Upon adopting the ordinance, the county board shall certify  
22 the proposition to the proper election officials who shall  
23 submit the proposition to the voters of the District at the  
24 next election, in accordance with the general election law.

25 The proposition shall be in substantially the following  
26 form:

1            Shall the tax rates for the Metro East Mass Transit  
2            District Retailers' Occupation Tax, the Metro East Mass  
3            Transit District Service Occupation Tax, and the Metro  
4            East Mass Transit District Use Tax be increased from 0.25%  
5            to 0.75%?

6            (B) Two thousand five hundred electors of any Metro East  
7            Mass Transit District may petition the Chief Judge of the  
8            Circuit Court, or any judge of that Circuit designated by the  
9            Chief Judge, in which that District is located to cause to be  
10           submitted to a vote of the electors the question whether the  
11           tax rates for the Metro East Mass Transit District Retailers'  
12           Occupation Tax, the Metro East Mass Transit District Service  
13           Occupation Tax, and the Metro East Mass Transit District Use  
14           Tax for the District should be increased from 0.25% to 0.75%.

15           Upon submission of such petition the court shall set a  
16           date not less than 10 nor more than 30 days thereafter for a  
17           hearing on the sufficiency thereof. Notice of the filing of  
18           such petition and of such date shall be given in writing to the  
19           District and the County Clerk at least 7 days before the date  
20           of such hearing.

21           If such petition is found sufficient, the court shall  
22           enter an order to submit that proposition at the next  
23           election, in accordance with general election law.

24           The form of the petition shall be in substantially the  
25           following form: To the Circuit Court of the County of (name of  
26           county):

1           We, the undersigned electors of the (name of transit  
2           district), respectfully petition your honor to submit to a  
3           vote of the electors of (name of transit district) the  
4           following proposition:

5           Shall the tax rates for the Metro East Mass Transit  
6           District Retailers' Occupation Tax, the Metro East Mass  
7           Transit District Service Occupation Tax, and the Metro  
8           East Mass Transit District Use Tax be increased from 0.25%  
9           to 0.75%?

10           Name	Address, with Street and Number.
11           .....	.....
12           .....	.....

13           (C) The votes shall be recorded as "YES" or "NO". If a  
14           majority of all votes cast on the proposition are for the  
15           increase in the tax rates, the Metro East Mass Transit  
16           District shall begin imposing the increased rates in the  
17           District, and the Department of Revenue shall begin collecting  
18           the increased amounts, as provided under this Section. An  
19           ordinance imposing or discontinuing a tax hereunder or  
20           effecting a change in the rate thereof shall be adopted and a  
21           certified copy thereof filed with the Department on or before  
22           the first day of October, whereupon the Department shall  
23           proceed to administer and enforce this Section as of the first  
24           day of January next following the adoption and filing, or on or  
25           before the first day of April, whereupon the Department shall  
26           proceed to administer and enforce this Section as of the first

1 day of July next following the adoption and filing.

2 (D) If the voters have approved a referendum under this  
3 subsection, before November 1, 1994, to increase the tax rate  
4 under this subsection, the Metro East Mass Transit District  
5 Board of Trustees may adopt by a majority vote an ordinance at  
6 any time before January 1, 1995 that excludes from the rate  
7 increase tangible personal property that is titled or  
8 registered with an agency of this State's government. The  
9 ordinance excluding titled or registered tangible personal  
10 property from the rate increase must be filed with the  
11 Department at least 15 days before its effective date. At any  
12 time after adopting an ordinance excluding from the rate  
13 increase tangible personal property that is titled or  
14 registered with an agency of this State's government, the  
15 Metro East Mass Transit District Board of Trustees may adopt  
16 an ordinance applying the rate increase to that tangible  
17 personal property. The ordinance shall be adopted, and a  
18 certified copy of that ordinance shall be filed with the  
19 Department, on or before October 1, whereupon the Department  
20 shall proceed to administer and enforce the rate increase  
21 against tangible personal property titled or registered with  
22 an agency of this State's government as of the following  
23 January 1. After December 31, 1995, any reimposed rate  
24 increase in effect under this subsection shall no longer apply  
25 to tangible personal property titled or registered with an  
26 agency of this State's government. Beginning January 1, 1996,



1 the Board of Trustees of any Metro East Mass Transit District  
2 may never reimpose a previously excluded tax rate increase on  
3 tangible personal property titled or registered with an agency  
4 of this State's government. After July 1, 2004, if the voters  
5 have approved a referendum under this subsection to increase  
6 the tax rate under this subsection, the Metro East Mass  
7 Transit District Board of Trustees may adopt by a majority  
8 vote an ordinance that excludes from the rate increase  
9 tangible personal property that is titled or registered with  
10 an agency of this State's government. The ordinance excluding  
11 titled or registered tangible personal property from the rate  
12 increase shall be adopted, and a certified copy of that  
13 ordinance shall be filed with the Department on or before  
14 October 1, whereupon the Department shall administer and  
15 enforce this exclusion from the rate increase as of the  
16 following January 1, or on or before April 1, whereupon the  
17 Department shall administer and enforce this exclusion from  
18 the rate increase as of the following July 1. The Board of  
19 Trustees of any Metro East Mass Transit District may never  
20 reimpose a previously excluded tax rate increase on tangible  
21 personal property titled or registered with an agency of this  
22 State's government.

23 (d-6) If the Board of Trustees of any Metro East Mass  
24 Transit District has imposed a rate increase under subsection  
25 (d-5) and filed an ordinance with the Department of Revenue  
26 excluding titled property from the higher rate, then that

1 Board may, by ordinance adopted with the concurrence of  
2 two-thirds of the then trustees, impose throughout the  
3 District a fee. The fee on the excluded property shall not  
4 exceed \$20 per retail transaction or an amount equal to the  
5 amount of tax excluded, whichever is less, on tangible  
6 personal property that is titled or registered with an agency  
7 of this State's government. Beginning July 1, 2004, the fee  
8 shall apply only to titled property that is subject to either  
9 the Metro East Mass Transit District Retailers' Occupation Tax  
10 or the Metro East Mass Transit District Service Occupation  
11 Tax. No fee shall be imposed or collected under this  
12 subsection on the sale of a motor vehicle in this State to a  
13 resident of another state if that motor vehicle will not be  
14 titled in this State.

15 (d-7) Until June 30, 2004, if a fee has been imposed under  
16 subsection (d-6), a fee shall also be imposed upon the  
17 privilege of using, in the district, any item of tangible  
18 personal property that is titled or registered with any agency  
19 of this State's government, in an amount equal to the amount of  
20 the fee imposed under subsection (d-6).

21 (d-7.1) Beginning July 1, 2004, any fee imposed by the  
22 Board of Trustees of any Metro East Mass Transit District  
23 under subsection (d-6) and all civil penalties that may be  
24 assessed as an incident of the fees shall be collected and  
25 enforced by the State Department of Revenue. Reference to  
26 "taxes" in this Section shall be construed to apply to the

1 administration, payment, and remittance of all fees under this  
2 Section. For purposes of any fee imposed under subsection  
3 (d-6), 4% of the fee, penalty, and interest received by the  
4 Department in the first 12 months that the fee is collected and  
5 enforced by the Department and 2% of the fee, penalty, and  
6 interest following the first 12 months (except the amount  
7 collected on aviation fuel sold on or after December 1, 2019)  
8 shall be deposited into the Tax Compliance and Administration  
9 Fund and shall be used by the Department, subject to  
10 appropriation, to cover the costs of the Department. No  
11 retailers' discount shall apply to any fee imposed under  
12 subsection (d-6).

13 (d-8) No item of titled property shall be subject to both  
14 the higher rate approved by referendum, as authorized under  
15 subsection (d-5), and any fee imposed under subsection (d-6)  
16 or (d-7).

17 (d-9) (Blank).

18 (d-10) (Blank).

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) of  
24 this Section and no additional registration shall be required  
25 under the tax. A certificate issued under the Use Tax Act or  
26 the Service Use Tax Act shall be applicable with regard to any

1 tax imposed under paragraph (c) of this Section.

2 (f) (Blank).

3 (g) Any ordinance imposing or discontinuing any tax under  
4 this Section shall be adopted and a certified copy thereof  
5 filed with the Department on or before June 1, whereupon the  
6 Department of Revenue shall proceed to administer and enforce  
7 this Section on behalf of the Metro East Mass Transit District  
8 as of September 1 next following such adoption and filing.  
9 Beginning January 1, 1992, an ordinance or resolution imposing  
10 or discontinuing the tax hereunder shall be adopted and a  
11 certified copy thereof filed with the Department on or before  
12 the first day of July, whereupon the Department shall proceed  
13 to administer and enforce this Section as of the first day of  
14 October next following such adoption and filing. Beginning  
15 January 1, 1993, except as provided in subsection (d-5) of  
16 this Section, an ordinance or resolution imposing or  
17 discontinuing the tax hereunder shall be adopted and a  
18 certified copy thereof filed with the Department on or before  
19 the first day of October, whereupon the Department shall  
20 proceed to administer and enforce this Section as of the first  
21 day of January next following such adoption and filing, or,  
22 beginning January 1, 2004, on or before the first day of April,  
23 whereupon the Department shall proceed to administer and  
24 enforce this Section as of the first day of July next following  
25 the adoption and filing.

26 (h) Except as provided in subsection (d-7.1), the State

1 Department of Revenue shall, upon collecting any taxes as  
2 provided in this Section, pay the taxes over to the State  
3 Treasurer as trustee for the District. The taxes shall be held  
4 in a trust fund outside the State Treasury. If an  
5 airport-related purpose has been certified, taxes and  
6 penalties collected in St. Clair County on aviation fuel sold  
7 on or after December 1, 2019 from the 0.50% of the 0.75% rate  
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 Act 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 Section during the second preceding calendar month for  
22 sales within a STAR bond district. The Department shall make  
23 this certification only if the local mass transit district  
24 imposes a tax on real property as provided in the definition of  
25 "local sales taxes" under the Innovation Development and  
26 Economy Act.

1           After the monthly transfer to the STAR Bonds Revenue Fund,  
2 on or before the 25th day of each calendar month, the State  
3 Department of Revenue shall prepare and certify to the  
4 Comptroller of the State of Illinois the amount to be paid to  
5 the District, which shall be the amount (not including credit  
6 memoranda and not including taxes and penalties collected on  
7 aviation fuel sold on or after December 1, 2019 that are  
8 deposited into the Local Government Aviation Trust Fund)  
9 collected under this Section during the second preceding  
10 calendar month by the Department plus an amount the Department  
11 determines is necessary to offset any amounts that were  
12 erroneously paid to a different taxing body, and not including  
13 any amount equal to the amount of refunds made during the  
14 second preceding calendar month by the Department on behalf of  
15 the District, and not including any amount that the Department  
16 determines is necessary to offset any amounts that were  
17 payable to a different taxing body but were erroneously paid  
18 to the District, and less any amounts that are transferred to  
19 the STAR Bonds Revenue Fund, less 1.5% of the remainder, which  
20 the Department shall transfer into the Tax Compliance and  
21 Administration Fund. The Department, at the time of each  
22 monthly disbursement to the District, shall prepare and  
23 certify to the State Comptroller the amount to be transferred  
24 into the Tax Compliance and Administration Fund under this  
25 subsection. Within 10 days after receipt by the Comptroller of  
26 the certification of the amount to be paid to the District and

1 the Tax Compliance and Administration Fund, the Comptroller  
2 shall cause an order to be drawn for payment for the amount in  
3 accordance with the direction in the certification.

4 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
5 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

6 Section 75-60. The Regional Transportation Authority Act  
7 is amended by changing Section 4.03 as follows:

8 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

9 Sec. 4.03. Taxes.

10 (a) In order to carry out any of the powers or purposes of  
11 the Authority, the Board may by ordinance adopted with the  
12 concurrence of 12 of the then Directors, impose throughout the  
13 metropolitan region any or all of the taxes provided in this  
14 Section. Except as otherwise provided in this Act, taxes  
15 imposed under this Section and civil penalties imposed  
16 incident thereto shall be collected and enforced by the State  
17 Department of Revenue. The Department shall have the power to  
18 administer and enforce the taxes and to determine all rights  
19 for refunds for erroneous payments of the taxes. Nothing in  
20 Public Act 95-708 is intended to invalidate any taxes  
21 currently imposed by the Authority. The increased vote  
22 requirements to impose a tax shall only apply to actions taken  
23 after January 1, 2008 (the effective date of Public Act  
24 95-708).

1           (b) The Board may impose a public transportation tax upon  
2 all persons engaged in the metropolitan region in the business  
3 of selling at retail motor fuel for operation of motor  
4 vehicles upon public highways. The tax shall be at a rate not  
5 to exceed 5% of the gross receipts from the sales of motor fuel  
6 in the course of the business. As used in this Act, the term  
7 "motor fuel" shall have the same meaning as in the Motor Fuel  
8 Tax Law. The Board may provide for details of the tax. The  
9 provisions of any tax shall conform, as closely as may be  
10 practicable, to the provisions of the Municipal Retailers  
11 Occupation Tax Act, including without limitation, conformity  
12 to penalties with respect to the tax imposed and as to the  
13 powers of the State Department of Revenue to promulgate and  
14 enforce rules and regulations relating to the administration  
15 and enforcement of the provisions of the tax imposed, except  
16 that reference in the Act to any municipality shall refer to  
17 the Authority and the tax shall be imposed only with regard to  
18 receipts from sales of motor fuel in the metropolitan region,  
19 at rates as limited by this Section.

20           (c) In connection with the tax imposed under paragraph (b)  
21 of this Section, the Board may impose a tax upon the privilege  
22 of using in the metropolitan region motor fuel for the  
23 operation of a motor vehicle upon public highways, the tax to  
24 be at a rate not in excess of the rate of tax imposed under  
25 paragraph (b) of this Section. The Board may provide for  
26 details of the tax.



1           (d) The Board may impose a motor vehicle parking tax upon  
2 the privilege of parking motor vehicles at off-street parking  
3 facilities in the metropolitan region at which a fee is  
4 charged, and may provide for reasonable classifications in and  
5 exemptions to the tax, for administration and enforcement  
6 thereof and for civil penalties and refunds thereunder and may  
7 provide criminal penalties thereunder, the maximum penalties  
8 not to exceed the maximum criminal penalties provided in the  
9 Retailers' Occupation Tax Act. The Authority may collect and  
10 enforce the tax itself or by contract with any unit of local  
11 government. The State Department of Revenue shall have no  
12 responsibility for the collection and enforcement unless the  
13 Department agrees with the Authority to undertake the  
14 collection and enforcement. As used in this paragraph, the  
15 term "parking facility" means a parking area or structure  
16 having parking spaces for more than 2 vehicles at which motor  
17 vehicles are permitted to park in return for an hourly, daily,  
18 or other periodic fee, whether publicly or privately owned,  
19 but does not include parking spaces on a public street, the use  
20 of which is regulated by parking meters.

21           (e) The Board may impose a Regional Transportation  
22 Authority Retailers' Occupation Tax upon all persons engaged  
23 in the business of selling tangible personal property at  
24 retail in the metropolitan region. In Cook County, the tax  
25 rate shall be 1.25% of the gross receipts from sales of  
26 tangible personal property taxed at the 1% rate under the

1 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
2 this amendatory Act of the 102nd General Assembly), and 1% of  
3 the gross receipts from other taxable sales made in the course  
4 of that business. In DuPage, Kane, Lake, McHenry, and Will  
5 counties, the tax rate shall be 0.75% of the gross receipts  
6 from all taxable sales made in the course of that business. The  
7 rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will  
8 counties under this Section on sales of aviation fuel on or  
9 after December 1, 2019 shall, however, be 0.25% unless the  
10 Regional Transportation Authority in DuPage, Kane, Lake,  
11 McHenry, and Will counties has an "airport-related purpose"  
12 and the additional 0.50% of the 0.75% tax on aviation fuel is  
13 expended for airport-related purposes. If there is no  
14 airport-related purpose to which aviation fuel tax revenue is  
15 dedicated, then aviation fuel is excluded from the additional  
16 0.50% of the 0.75% tax. The tax imposed 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 Department shall have full power to  
20 administer and enforce this Section; to collect all taxes and  
21 penalties so collected in the manner hereinafter provided; and  
22 to determine all rights to credit memoranda arising on account  
23 of the erroneous payment of tax or penalty hereunder. In the  
24 administration of, and compliance with this Section, the  
25 Department and persons who are subject to this Section shall  
26 have the same rights, remedies, privileges, immunities,

1 powers, and duties, and be subject to the same conditions,  
2 restrictions, limitations, penalties, exclusions, exemptions,  
3 and definitions of terms, and employ the same modes of  
4 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
5 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
6 therein other than the State rate of tax), 2c, 3 (except as to  
7 the disposition of taxes and penalties collected, and except  
8 that the retailer's discount is not allowed for taxes paid on  
9 aviation fuel that are subject to the revenue use requirements  
10 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
11 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
12 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and  
13 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
14 as if those provisions were set forth herein.

15 The Board and DuPage, Kane, Lake, McHenry, and Will  
16 counties must comply with the certification requirements for  
17 airport-related purposes under Section 2-22 of the Retailers'  
18 Occupation Tax Act. For purposes of this Section,  
19 "airport-related purposes" has the meaning ascribed in Section  
20 6z-20.2 of the State Finance Act. This exclusion for aviation  
21 fuel only applies for so long as the revenue use requirements  
22 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
23 Authority.

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 the tax

1 as an additional charge, which charge may be stated in  
2 combination in a single amount with State taxes that sellers  
3 are required to collect under the Use Tax Act, under any  
4 bracket schedules 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 warrant 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 Regional Transportation Authority tax  
12 fund established under paragraph (n) of this Section or the  
13 Local Government Aviation Trust Fund, as appropriate.

14 If a tax is imposed under this subsection (e), a tax shall  
15 also be imposed under subsections (f) and (g) of this Section.

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

25 No tax shall be imposed or collected under this subsection  
26 on the sale of a motor vehicle in this State to a resident of

1 another state if that motor vehicle will not be titled in this  
2 State.

3 Nothing in this Section shall be construed to authorize  
4 the Regional Transportation Authority to impose a tax upon the  
5 privilege of engaging in any business that under the  
6 Constitution of the United States may not be made the subject  
7 of taxation by this State.

8 (f) If a tax has been imposed under paragraph (e), a  
9 Regional Transportation Authority Service Occupation Tax shall  
10 also be imposed upon all persons engaged, in the metropolitan  
11 region in the business of making sales of service, who as an  
12 incident to making the sales of service, transfer tangible  
13 personal property within the metropolitan region, either in  
14 the form of tangible personal property or in the form of real  
15 estate as an incident to a sale of service. In Cook County, the  
16 tax rate shall be: (1) 1.25% of the serviceman's cost price of  
17 food prepared for immediate consumption and transferred  
18 incident to a sale of service subject to the service  
19 occupation tax by an entity licensed under the Hospital  
20 Licensing Act, the Nursing Home Care Act, the Specialized  
21 Mental Health Rehabilitation Act of 2013, the ID/DD Community  
22 Care Act, or the MC/DD Act that is located in the metropolitan  
23 region; (2) 1.25% of the selling price of tangible personal  
24 property taxed at the 1% rate under the Service Occupation Tax  
25 Act (or at the 0% rate imposed under this amendatory Act of the  
26 102nd General Assembly); and (3) 1% of the selling price from

1 other taxable sales of tangible personal property transferred.  
2 In DuPage, Kane, Lake, McHenry, and Will counties, the rate  
3 shall be 0.75% of the selling price of all tangible personal  
4 property transferred. The rate of tax imposed in DuPage, Kane,  
5 Lake, McHenry, and Will counties under this Section on sales  
6 of aviation fuel on or after December 1, 2019 shall, however,  
7 be 0.25% unless the Regional Transportation Authority in  
8 DuPage, Kane, Lake, McHenry, and Will counties has an  
9 "airport-related purpose" and the additional 0.50% of the  
10 0.75% tax on aviation fuel is expended for airport-related  
11 purposes. If there is no airport-related purpose to which  
12 aviation fuel tax revenue is dedicated, then aviation fuel is  
13 excluded from the additional 0.5% of the 0.75% tax.

14 The Board and DuPage, Kane, Lake, McHenry, and Will  
15 counties must comply with the certification requirements for  
16 airport-related purposes under Section 2-22 of the Retailers'  
17 Occupation Tax Act. For purposes of this Section,  
18 "airport-related purposes" has the meaning ascribed in Section  
19 6z-20.2 of the State Finance Act. This exclusion for aviation  
20 fuel only applies for so long as the revenue use requirements  
21 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
22 Authority.

23 The tax imposed under this paragraph and all civil  
24 penalties that may be assessed as an incident thereof shall be  
25 collected and enforced by the State Department of Revenue. The  
26 Department shall have full power to administer and enforce

1 this paragraph; to collect all taxes and penalties due  
2 hereunder; to dispose of taxes and penalties collected in the  
3 manner hereinafter provided; and to determine all rights to  
4 credit memoranda arising on account of the erroneous payment  
5 of tax or penalty hereunder. In the administration of and  
6 compliance with this paragraph, the Department and persons who  
7 are subject to this paragraph shall have the same rights,  
8 remedies, privileges, immunities, powers, and duties, and be  
9 subject to the same conditions, restrictions, limitations,  
10 penalties, exclusions, exemptions, and definitions of terms,  
11 and employ the same modes of procedure, as are prescribed in  
12 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
13 provisions therein other than the State rate of tax), 4  
14 (except that the reference to the State shall be to the  
15 Authority), 5, 7, 8 (except that the jurisdiction to which the  
16 tax shall be a debt to the extent indicated in that Section 8  
17 shall be the Authority), 9 (except as to the disposition of  
18 taxes and penalties collected, and except that the returned  
19 merchandise credit for this tax may not be taken against any  
20 State tax, and except that the retailer's discount is not  
21 allowed for taxes paid on aviation fuel that are subject to the  
22 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
23 47133), 10, 11, 12 (except the reference therein to Section 2b  
24 of the Retailers' Occupation Tax Act), 13 (except that any  
25 reference to the State shall mean the Authority), the first  
26 paragraph of Section 15, 16, 17, 18, 19, and 20 of the Service

1 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
2 Interest Act, as fully as if those provisions were set forth  
3 herein.

4 Persons subject to any tax imposed under the authority  
5 granted in this paragraph may reimburse themselves for their  
6 serviceman's tax liability hereunder by separately stating the  
7 tax as an additional charge, that charge may be stated in  
8 combination in a single amount with State tax that servicemen  
9 are authorized to collect under the Service Use Tax Act, under  
10 any bracket schedules the Department may prescribe.

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 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 Regional Transportation Authority tax  
18 fund established under paragraph (n) of this Section or the  
19 Local Government Aviation Trust Fund, as appropriate.

20 Nothing in this paragraph shall be construed to authorize  
21 the Authority to impose a tax upon the privilege of engaging in  
22 any business that under the Constitution of the United States  
23 may not be made the subject of taxation by the State.

24 (g) If a tax has been imposed under paragraph (e), a tax  
25 shall also be imposed upon the privilege of using in the  
26 metropolitan region, any item of tangible personal property



1 that is purchased outside the metropolitan region at retail  
2 from a retailer, and that is titled or registered with an  
3 agency of this State's government. In Cook County, the tax  
4 rate shall be 1% of the selling price of the tangible personal  
5 property, as "selling price" is defined in the Use Tax Act. In  
6 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate  
7 shall be 0.75% of the selling price of the tangible personal  
8 property, as "selling price" is defined in the Use Tax Act. The  
9 tax shall be collected from persons whose Illinois address for  
10 titling or registration purposes is given as being in the  
11 metropolitan region. The tax shall be collected by the  
12 Department of Revenue for the Regional Transportation  
13 Authority. The tax must be paid to the State, or an exemption  
14 determination must be obtained from the Department of Revenue,  
15 before the title or certificate of registration for the  
16 property may be issued. The tax or proof of exemption may be  
17 transmitted to the Department by way of the State agency with  
18 which, or the State officer with whom, the tangible personal  
19 property must be titled or registered if the Department and  
20 the State agency or State officer determine that this  
21 procedure will expedite the processing of applications for  
22 title or registration.

23 The Department shall have full power to administer and  
24 enforce this paragraph; to collect all taxes, penalties, and  
25 interest due hereunder; to dispose of taxes, penalties, and  
26 interest collected in the manner hereinafter provided; and to

1 determine all rights to credit memoranda or refunds arising on  
2 account of the erroneous payment of tax, penalty, or interest  
3 hereunder. In the administration of and compliance with this  
4 paragraph, the Department and persons who are subject to this  
5 paragraph shall have the same rights, remedies, privileges,  
6 immunities, powers, and duties, and be subject to the same  
7 conditions, restrictions, limitations, penalties, exclusions,  
8 exemptions, and definitions of terms and employ the same modes  
9 of procedure, as are prescribed in Sections 2 (except the  
10 definition of "retailer maintaining a place of business in  
11 this State"), 3 through 3-80 (except provisions pertaining to  
12 the State rate of tax, and except provisions concerning  
13 collection or refunding of the tax by retailers), 4, 11, 12,  
14 12a, 14, 15, 19 (except the portions pertaining to claims by  
15 retailers and except the last paragraph concerning refunds),  
16 20, 21, and 22 of the Use Tax Act, and are not inconsistent  
17 with this paragraph, as fully as if those provisions were set  
18 forth herein.

19 Whenever the Department determines that a refund should be  
20 made under this paragraph to a claimant instead of issuing a  
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 the notification  
24 from the Department. The refund shall be paid by the State  
25 Treasurer out of the Regional Transportation Authority tax  
26 fund established under paragraph (n) of this Section.

1       (g-5) If, on January 1, 2025, a unit of local government  
2 has in effect a tax under subsections (e), (f), and (g), or if,  
3 after January 1, 2025, a unit of local government imposes a tax  
4 under subsections (e), (f), and (g), then that tax applies to  
5 leases of tangible personal property in effect, entered into,  
6 or renewed on or after that date in the same manner as the tax  
7 under this Section and in accordance with the changes made by  
8 this amendatory Act of the 103rd General Assembly.

9       (h) The Authority may impose a replacement vehicle tax of  
10 \$50 on any passenger car as defined in Section 1-157 of the  
11 Illinois Vehicle Code purchased within the metropolitan region  
12 by or on behalf of an insurance company to replace a passenger  
13 car of an insured person in settlement of a total loss claim.  
14 The tax imposed may not become effective before the first day  
15 of the month following the passage of the ordinance imposing  
16 the tax and receipt of a certified copy of the ordinance by the  
17 Department of Revenue. The Department of Revenue shall collect  
18 the tax for the Authority in accordance with Sections 3-2002  
19 and 3-2003 of the Illinois Vehicle Code.

20       The Department shall immediately pay over to the State  
21 Treasurer, ex officio, as trustee, all taxes collected  
22 hereunder.

23       As soon as possible after the first day of each month,  
24 beginning January 1, 2011, upon certification of the  
25 Department of Revenue, the Comptroller shall order  
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined  
2 in the Innovation Development and Economy Act, collected under  
3 this Section during the second preceding calendar month for  
4 sales within a STAR bond district.

5 After the monthly transfer to the STAR Bonds Revenue Fund,  
6 on or before the 25th day of each calendar month, the  
7 Department shall prepare and certify to the Comptroller the  
8 disbursement of stated sums of money to the Authority. The  
9 amount to be paid to the Authority shall be the amount  
10 collected hereunder during the second preceding calendar month  
11 by the Department, less any amount determined by the  
12 Department to be necessary for the payment of refunds, and  
13 less any amounts that are transferred to the STAR Bonds  
14 Revenue Fund. Within 10 days after receipt by the Comptroller  
15 of the disbursement certification to the Authority provided  
16 for in this Section to be given to the Comptroller by the  
17 Department, the Comptroller shall cause the orders to be drawn  
18 for that amount in accordance with the directions contained in  
19 the certification.

20 (i) The Board may not impose any other taxes except as it  
21 may from time to time be authorized by law to impose.

22 (j) A certificate of registration issued by the State  
23 Department of Revenue to a retailer under the Retailers'  
24 Occupation Tax Act or under the Service Occupation Tax Act  
25 shall permit the registrant to engage in a business that is  
26 taxed under the tax imposed under paragraphs (b), (e), (f) or

1 (g) of this Section and no additional registration shall be  
2 required under the tax. A certificate issued under the Use Tax  
3 Act or the Service Use Tax Act shall be applicable with regard  
4 to any tax imposed under paragraph (c) of this Section.

5 (k) The provisions of any tax imposed under paragraph (c)  
6 of this Section shall conform as closely as may be practicable  
7 to the provisions of the Use Tax Act, including without  
8 limitation conformity as to penalties with respect to the tax  
9 imposed and as to the powers of the State Department of Revenue  
10 to promulgate and enforce rules and regulations relating to  
11 the administration and enforcement of the provisions of the  
12 tax imposed. The taxes shall be imposed only on use within the  
13 metropolitan region and at rates as provided in the paragraph.

14 (l) The Board in imposing any tax as provided in  
15 paragraphs (b) and (c) of this Section, shall, after seeking  
16 the advice of the State Department of Revenue, provide means  
17 for retailers, users or purchasers of motor fuel for purposes  
18 other than those with regard to which the taxes may be imposed  
19 as provided in those paragraphs to receive refunds of taxes  
20 improperly paid, which provisions may be at variance with the  
21 refund provisions as applicable under the Municipal Retailers  
22 Occupation Tax Act. The State Department of Revenue may  
23 provide for certificates of registration for users or  
24 purchasers of motor fuel for purposes other than those with  
25 regard to which taxes may be imposed as provided in paragraphs  
26 (b) and (c) of this Section to facilitate the reporting and

1 nontaxability of the exempt sales or uses.

2 (m) Any ordinance imposing or discontinuing any tax under  
3 this Section shall be adopted and a certified copy thereof  
4 filed with the Department on or before June 1, whereupon the  
5 Department of Revenue shall proceed to administer and enforce  
6 this Section on behalf of the Regional Transportation  
7 Authority as of September 1 next following such adoption and  
8 filing. Beginning January 1, 1992, an ordinance or resolution  
9 imposing or discontinuing the tax hereunder shall be adopted  
10 and a certified copy thereof filed with the Department on or  
11 before the first day of July, whereupon the Department shall  
12 proceed to administer and enforce this Section as of the first  
13 day of October next following such adoption and filing.  
14 Beginning January 1, 1993, an ordinance or resolution  
15 imposing, increasing, decreasing, or discontinuing the tax  
16 hereunder shall be adopted and a certified copy thereof filed  
17 with the Department, whereupon the Department shall proceed to  
18 administer and enforce this Section as of the first day of the  
19 first month to occur not less than 60 days following such  
20 adoption and filing. Any ordinance or resolution of the  
21 Authority imposing a tax under this Section and in effect on  
22 August 1, 2007 shall remain in full force and effect and shall  
23 be administered by the Department of Revenue under the terms  
24 and conditions and rates of tax established by such ordinance  
25 or resolution until the Department begins administering and  
26 enforcing an increased tax under this Section as authorized by

1 Public Act 95-708. The tax rates authorized by Public Act  
2 95-708 are effective only if imposed by ordinance of the  
3 Authority.

4 (n) Except as otherwise provided in this subsection (n),  
5 the State Department of Revenue shall, upon collecting any  
6 taxes as provided in this Section, pay the taxes over to the  
7 State Treasurer as trustee for the Authority. The taxes shall  
8 be held in a trust fund outside the State Treasury. If an  
9 airport-related purpose has been certified, taxes and  
10 penalties collected in DuPage, Kane, Lake, McHenry and Will  
11 counties on aviation fuel sold on or after December 1, 2019  
12 from the 0.50% of the 0.75% rate shall be immediately paid over  
13 by the Department to the State Treasurer, ex officio, as  
14 trustee, for deposit into the Local Government Aviation Trust  
15 Fund. The Department shall only pay moneys into the Local  
16 Government Aviation Trust Fund under this Act for so long as  
17 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
18 U.S.C. 47133 are binding on the Authority. On or before the  
19 25th day of each calendar month, the State Department of  
20 Revenue shall prepare and certify to the Comptroller of the  
21 State of Illinois and to the Authority (i) the amount of taxes  
22 collected in each county other than Cook County in the  
23 metropolitan region, (not including, if an airport-related  
24 purpose has been certified, the taxes and penalties collected  
25 from the 0.50% of the 0.75% rate on aviation fuel sold on or  
26 after December 1, 2019 that are deposited into the Local

1 Government Aviation Trust Fund) (ii) the amount of taxes  
2 collected within the City of Chicago, and (iii) the amount  
3 collected in that portion of Cook County outside of Chicago,  
4 each amount less the amount necessary for the payment of  
5 refunds to taxpayers located in those areas described in items  
6 (i), (ii), and (iii), and less 1.5% of the remainder, which  
7 shall be transferred from the trust fund into the Tax  
8 Compliance and Administration Fund. The Department, at the  
9 time of each monthly disbursement to the Authority, shall  
10 prepare and certify to the State Comptroller the amount to be  
11 transferred into the Tax Compliance and Administration Fund  
12 under this subsection. Within 10 days after receipt by the  
13 Comptroller of the certification of the amounts, the  
14 Comptroller shall cause an order to be drawn for the transfer  
15 of the amount certified into the Tax Compliance and  
16 Administration Fund and the payment of two-thirds of the  
17 amounts certified in item (i) of this subsection to the  
18 Authority and one-third of the amounts certified in item (i)  
19 of this subsection to the respective counties other than Cook  
20 County and the amount certified in items (ii) and (iii) of this  
21 subsection to the Authority.

22 In addition to the disbursement required by the preceding  
23 paragraph, an allocation shall be made in July 1991 and each  
24 year thereafter to the Regional Transportation Authority. The  
25 allocation shall be made in an amount equal to the average  
26 monthly distribution during the preceding calendar year



1 (excluding the 2 months of lowest receipts) and the allocation  
2 shall include the amount of average monthly distribution from  
3 the Regional Transportation Authority Occupation and Use Tax  
4 Replacement Fund. The distribution made in July 1992 and each  
5 year thereafter under this paragraph and the preceding  
6 paragraph shall be reduced by the amount allocated and  
7 disbursed under this paragraph in the preceding calendar year.  
8 The Department of Revenue shall prepare and certify to the  
9 Comptroller for disbursement the allocations made in  
10 accordance with this paragraph.

11 (o) Failure to adopt a budget ordinance or otherwise to  
12 comply with Section 4.01 of this Act or to adopt a Five-year  
13 Capital Program or otherwise to comply with paragraph (b) of  
14 Section 2.01 of this Act shall not affect the validity of any  
15 tax imposed by the Authority otherwise in conformity with law.

16 (p) At no time shall a public transportation tax or motor  
17 vehicle parking tax authorized under paragraphs (b), (c), and  
18 (d) of this Section be in effect at the same time as any  
19 retailers' occupation, use or service occupation tax  
20 authorized under paragraphs (e), (f), and (g) of this Section  
21 is in effect.

22 Any taxes imposed under the authority provided in  
23 paragraphs (b), (c), and (d) shall remain in effect only until  
24 the time as any tax authorized by paragraph (e), (f), or (g) of  
25 this Section are imposed and becomes effective. Once any tax  
26 authorized by paragraph (e), (f), or (g) is imposed the Board

1 may not reimpose taxes as authorized in paragraphs (b), (c),  
2 and (d) of the Section unless any tax authorized by paragraph  
3 (e), (f), or (g) of this Section becomes ineffective by means  
4 other than an ordinance of the Board.

5 (q) Any existing rights, remedies and obligations  
6 (including enforcement by the Regional Transportation  
7 Authority) arising under any tax imposed under paragraph (b),  
8 (c), or (d) of this Section shall not be affected by the  
9 imposition of a tax under paragraph (e), (f), or (g) of this  
10 Section.

11 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
12 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

13 ARTICLE 80.

14 Section 80-5. The Cigarette Tax Act is amended by changing  
15 Sections 4b, 9, 9e, and 9f as follows:

16 (35 ILCS 130/4b) (from Ch. 120, par. 453.4b)

17 Sec. 4b. (a) The Department may, in its discretion, upon  
18 application, issue permits authorizing the payment of the tax  
19 herein imposed by out-of-State cigarette manufacturers who are  
20 not required to be licensed as distributors of cigarettes in  
21 this State, but who elect to qualify under this Act as  
22 distributors of cigarettes in this State, and who, to the  
23 satisfaction of the Department, furnish adequate security to

1 insure payment of the tax, provided that any such permit shall  
2 extend only to cigarettes which such permittee manufacturer  
3 places in original packages that are contained inside a sealed  
4 transparent wrapper. Such permits shall be issued without  
5 charge in such form as the Department may prescribe and shall  
6 not be transferable or assignable.

7 The following are ineligible to receive a distributor's  
8 permit under this subsection:

9 (1) a person who is not of good character and  
10 reputation in the community in which he resides; the  
11 Department may consider past conviction of a felony but  
12 the conviction shall not operate as an absolute bar to  
13 receiving a permit;

14 (2) a person who has been convicted of a felony under  
15 any Federal or State law, if the Department, after  
16 investigation and a hearing and consideration of  
17 mitigating factors and evidence of rehabilitation  
18 contained in the applicant's record, including those in  
19 Section 4i of this Act, determines that such person has  
20 not been sufficiently rehabilitated to warrant the public  
21 trust and the conviction will impair the ability of the  
22 person to engage in the position for which a permit is  
23 sought;

24 (3) a corporation, if any officer, manager or director  
25 thereof, or any stockholder or stockholders owning in the  
26 aggregate more than 5% of the stock of such corporation,

1           would not be eligible to receive a permit under this Act  
2           for any reason.

3           With respect to cigarettes which come within the scope of  
4           such a permit and which any such permittee delivers or causes  
5           to be delivered in Illinois to licensed distributors, such  
6           permittee shall remit the tax imposed by this Act at the times  
7           provided for in Section 3 of this Act. Each such remittance  
8           shall be accompanied by a return filed with the Department on a  
9           form to be prescribed and furnished by the Department and  
10          shall disclose such information as the Department may lawfully  
11          require. Information that the Department may lawfully require  
12          includes information related to the uniform regulation and  
13          taxation of cigarettes. The Department may promulgate rules to  
14          require that the permittee's return be accompanied by  
15          appropriate computer-generated magnetic media supporting  
16          schedule data in the format prescribed by the Department,  
17          unless, as provided by rule, the Department grants an  
18          exception upon petition of the permittee. Each such return  
19          shall be accompanied by a copy of each invoice rendered by the  
20          permittee to any licensed distributor to whom the permittee  
21          delivered cigarettes of the type covered by the permit (or  
22          caused cigarettes of the type covered by the permit to be  
23          delivered) in Illinois during the period covered by such  
24          return.

25          Such permit may be suspended, canceled or revoked when, at  
26          any time, the Department considers that the security given is

1 inadequate, or that such tax can more effectively be collected  
2 from distributors located in this State, or whenever the  
3 permittee violates any provision of this Act or any lawful  
4 rule or regulation issued by the Department pursuant to this  
5 Act or is determined to be ineligible for a distributor's  
6 permit under this Act as provided in this Section, whenever  
7 the permittee shall notify the Department in writing of his  
8 desire to have the permit canceled. The Department shall have  
9 the power, in its discretion, to issue a new permit after such  
10 suspension, cancellation or revocation, except when the person  
11 who would receive the permit is ineligible to receive a  
12 distributor's permit under this Act.

13 All permits issued by the Department under this Act shall  
14 be valid for not to exceed one year after issuance unless  
15 sooner revoked, canceled or suspended as in this Act provided.

16 (b) Out-of-state cigarette manufacturers who are not  
17 required to be licensed as distributors of cigarettes in this  
18 State and who do not elect to obtain approval under subsection  
19 4b(a) to pay the tax imposed by this Act, but who elect to  
20 qualify under this Act as distributors of cigarettes in this  
21 State for purposes of shipping and delivering unstamped  
22 original packages of cigarettes into this State to licensed  
23 distributors, shall obtain a permit from the Department. These  
24 permits shall be issued without charge in such form as the  
25 Department may prescribe and shall not be transferable or  
26 assignable.

1           The following are ineligible to receive a distributor's  
2 permit under this subsection:

3           (1) a person who is not of good character and  
4 reputation in the community in which he or she resides;  
5 the Department may consider past conviction of a felony  
6 but the conviction shall not operate as an absolute bar to  
7 receiving a permit;

8           (2) a person who has been convicted of a felony under  
9 any federal or State law, if the Department, after  
10 investigation and a hearing and consideration of  
11 mitigating factors and evidence of rehabilitation  
12 contained in the applicant's record, including those set  
13 forth in Section 4i of this Act, determines that the  
14 person has not been sufficiently rehabilitated to warrant  
15 the public trust and the conviction will impair the  
16 ability of the person to engage in the position for which a  
17 permit is sought; and

18           (3) a corporation, if any officer, manager, or  
19 director thereof, or any stockholder or stockholders  
20 owning in the aggregate more than 5% of the stock of the  
21 corporation, would not be eligible to receive a permit  
22 under this Act for any reason.

23           With respect to original packages of cigarettes that such  
24 permittee delivers or causes to be delivered in Illinois and  
25 distributes to the public for promotional purposes without  
26 consideration, the permittee shall pay the tax imposed by this

1 Act by remitting the amount thereof to the Department by the  
2 5th day of each month covering cigarettes shipped or otherwise  
3 delivered in Illinois for those purposes during the preceding  
4 calendar month. The permittee, before delivering those  
5 cigarettes or causing those cigarettes to be delivered in this  
6 State, shall evidence his or her obligation to remit the taxes  
7 due with respect to those cigarettes by imprinting language to  
8 be prescribed by the Department on each original package of  
9 cigarettes, in such place thereon and in such manner also to be  
10 prescribed by the Department. The imprinted language shall  
11 acknowledge the permittee's payment of or liability for the  
12 tax imposed by this Act with respect to the distribution of  
13 those cigarettes.

14 With respect to cigarettes that the permittee delivers or  
15 causes to be delivered in Illinois to Illinois licensed  
16 distributors or distributed to the public for promotional  
17 purposes, the permittee shall, by the 5th day of each month,  
18 file with the Department, a report covering cigarettes shipped  
19 or otherwise delivered in Illinois to licensed distributors or  
20 distributed to the public for promotional purposes during the  
21 preceding calendar month on a form to be prescribed and  
22 furnished by the Department and shall disclose such other  
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. The Department may promulgate rules to require

1 that the permittee's report be accompanied by appropriate  
2 computer-generated magnetic media supporting schedule data in  
3 the format prescribed by the Department, unless, as provided  
4 by rule, the Department grants an exception upon petition of  
5 the permittee. Each such report shall be accompanied by a copy  
6 of each invoice rendered by the permittee to any purchaser to  
7 whom the permittee delivered cigarettes of the type covered by  
8 the permit (or caused cigarettes of the type covered by the  
9 permit to be delivered) in Illinois during the period covered  
10 by such report.

11 Such permit may be suspended, canceled, or revoked  
12 whenever the permittee violates any provision of this Act or  
13 any lawful rule or regulation issued by the Department  
14 pursuant to this Act, is determined to be ineligible for a  
15 distributor's permit under this Act as provided in this  
16 Section, or notifies the Department in writing of his or her  
17 desire to have the permit canceled. The Department shall have  
18 the power, in its discretion, to issue a new permit after such  
19 suspension, cancellation, or revocation, except when the  
20 person who would receive the permit is ineligible to receive a  
21 distributor's permit under this Act.

22 All permits issued by the Department under this Act shall  
23 be valid for a period not to exceed one year after issuance  
24 unless sooner revoked, canceled, or suspended as provided in  
25 this Act.

26 (Source: P.A. 100-286, eff. 1-1-18.)



1 (35 ILCS 130/9) (from Ch. 120, par. 453.9)

2 Sec. 9. Returns; remittance. Every distributor who is  
3 required to procure a license under this Act, but who is not a  
4 manufacturer of cigarettes in original packages which are  
5 contained in a sealed transparent wrapper, shall, on or before  
6 the 15th day of each calendar month, file a return with the  
7 Department, showing the quantity of cigarettes manufactured  
8 during the preceding calendar month, the quantity of  
9 cigarettes brought into this State or caused to be brought  
10 into this State from outside this State during the preceding  
11 calendar month without authorized evidence on the original  
12 packages of such cigarettes underneath the sealed transparent  
13 wrapper thereof that the tax liability imposed by this Act has  
14 been assumed by the out-of-State seller of such cigarettes,  
15 the quantity of cigarettes purchased tax-paid during the  
16 preceding calendar month either within or outside this State,  
17 the quantity of cigarettes sold by manufacturer  
18 representatives on behalf of the distributor, the quantity of  
19 cigarettes sold to manufacturer representatives, and the  
20 quantity of cigarettes sold or otherwise disposed of during  
21 the preceding calendar month. Such return shall be filed upon  
22 forms furnished and prescribed by the Department and shall  
23 contain such other information as the Department may  
24 reasonably require. Information that the Department may  
25 reasonably require includes information related to the uniform

1 regulation and taxation of cigarettes. The Department may  
2 promulgate rules to require that the distributor's return be  
3 accompanied by appropriate computer-generated magnetic media  
4 supporting schedule data in the format required by the  
5 Department, unless, as provided by rule, the Department grants  
6 an exception upon petition of a distributor.

7 Illinois manufacturers of cigarettes in original packages  
8 which are contained inside a sealed transparent wrapper shall  
9 file a return by the 5th day of each month covering the  
10 preceding calendar month. Each such return shall be  
11 accompanied by the appropriate remittance for tax as provided  
12 in Section 3 of this Act. Each such return shall show the  
13 quantity of such cigarettes manufactured during the period  
14 covered by the return, the quantity of cigarettes sold or  
15 otherwise disposed of during the period covered by the return  
16 and such other information as the Department may lawfully  
17 require. Information that the Department may lawfully require  
18 includes information related to the uniform regulation and  
19 taxation of cigarettes. Such returns shall be filed on forms  
20 prescribed and furnished by the Department. Each such return  
21 shall be accompanied by a copy of each invoice rendered by such  
22 manufacturer to any purchaser to whom such manufacturer  
23 delivered cigarettes (or caused cigarettes to be delivered)  
24 during the period covered by the return. The Department may  
25 promulgate rules to require that the manufacturer's return be  
26 accompanied by appropriate computer-generated magnetic media

1 supporting schedule data in the format required by the  
2 Department, unless, as provided by rule, the Department grants  
3 an exception upon petition of a manufacturer.

4 (Source: P.A. 97-587, eff. 8-26-11.)

5 (35 ILCS 130/9e)

6 Sec. 9e. Secondary distributors; reports. Every secondary  
7 distributor who is required to procure a license under this  
8 Act shall, on or before the 15th day of each calendar month,  
9 file a report with the Department, showing the quantity of  
10 cigarettes purchased during the preceding calendar month  
11 either within or outside this State, and the quantity of  
12 cigarettes sold to retailers or otherwise disposed of during  
13 the preceding calendar month. Such reports shall be filed  
14 electronically in such form prescribed by the Department and  
15 shall contain such other information as the Department may  
16 reasonably require. Information that the Department may  
17 reasonably require includes information related to the uniform  
18 regulation and taxation of cigarettes. The secondary  
19 distributor's report shall be accompanied by appropriate  
20 computer generated magnetic media supporting schedule data in  
21 the format required by the Department, unless, as provided by  
22 rule, the Department grants an exception upon petition of a  
23 secondary distributor.

24 A certification by the Director of the Department that a  
25 report has not been filed, or that information has not been

1 supplied pursuant to the provisions of this Act, shall be  
2 prima facie evidence thereof.

3 (Source: P.A. 96-1027, eff. 7-12-10.)

4 (35 ILCS 130/9f)

5 Sec. 9f. Manufacturer representatives; reports. Every  
6 manufacturer with authority to maintain manufacturer  
7 representatives as defined by Section 4f of this Act shall, on  
8 or before the 15th day of each calendar month, file a report  
9 with the Department, showing the quantity of cigarettes  
10 purchased from licensed distributors during the preceding  
11 calendar month, either within or outside this State, and the  
12 quantity of cigarettes sold to retailers or otherwise disposed  
13 of during the preceding calendar month. Such reports shall be  
14 filed in the form prescribed by the Department and shall  
15 contain such other information as the Department may  
16 reasonably require. Information that the Department may  
17 reasonably require includes information related to the uniform  
18 regulation and taxation of cigarettes. The report shall be  
19 filed electronically and be accompanied by appropriate  
20 computer generated magnetic media supporting schedule data in  
21 the format required by the Department, unless, as provided by  
22 rule, the Department grants an exception upon petition of a  
23 manufacturer with authority to maintain manufacturer  
24 representatives in this State.

25 A certification by the Director of the Department that a

1 report has not been filed, or that information has not been  
2 supplied pursuant to the provisions of this Act, shall be  
3 prima facie evidence thereof.

4 (Source: P.A. 97-587, eff. 8-26-11.)

5 Section 80-10. The Cigarette Use Tax Act is amended by  
6 changing Sections 11 and 11a as follows:

7 (35 ILCS 135/11) (from Ch. 120, par. 453.41)

8 Sec. 11. Return by distributor or manufacturer. Every  
9 distributor, who is required or authorized to collect tax  
10 under this Act, but who is not a manufacturer of cigarettes in  
11 original packages which are contained in a sealed transparent  
12 wrapper, shall, on or before the 15th day of each calendar  
13 month, file a return with the Department, showing such  
14 information as the Department may reasonably require.  
15 Information that the Department may reasonably require  
16 includes information related to the uniform regulation and  
17 taxation of cigarettes. The Department may promulgate rules to  
18 require that the distributor's return be accompanied by  
19 appropriate computer-generated magnetic media supporting  
20 schedule data in the format required by the Department,  
21 unless, as provided by rule, the Department grants an  
22 exception upon petition of a distributor.

23 Illinois manufacturers of cigarettes in original packages  
24 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 disclose such  
5 information as the Department may lawfully require.  
6 Information that the Department may lawfully require includes  
7 information related to the uniform regulation and taxation of  
8 cigarettes. Each such return shall be accompanied by a copy of  
9 each invoice rendered by such manufacturer to any purchaser to  
10 whom such manufacturer delivered cigarettes (or caused  
11 cigarettes to be delivered) during the period covered by the  
12 return. The Department may promulgate rules to require that  
13 the manufacturer's return be accompanied by appropriate  
14 computer-generated magnetic media supporting schedule data in  
15 the format required by the Department, unless, as provided by  
16 rule, the Department grants an exception upon petition of a  
17 manufacturer.

18 No distributor shall be required to return information to  
19 the extent to which the reporting of such information would be  
20 a duplication of such distributor's reporting of information  
21 in any return which he is required to file with the Department  
22 under the Cigarette Tax Act. Returns shall be filed on forms  
23 prescribed by the Department.

24 (Source: P.A. 92-322, eff. 1-1-02.)

1           Sec. 11a. Secondary distributors; reports. Every secondary  
2 distributor who is required to procure, or is authorized to  
3 procure, a license under this Act shall, on or before the 15th  
4 day of each calendar month, file a report with the Department,  
5 showing the quantity of cigarettes purchased during the  
6 preceding calendar month either within or outside this State,  
7 and the quantity of cigarettes sold to Illinois retailers or  
8 otherwise disposed of during the preceding calendar month.  
9 Such reports shall be filed electronically in such form  
10 prescribed by the Department and shall contain such other  
11 information as the Department may reasonably require.  
12 Information that the Department may reasonably require  
13 includes information related to the uniform regulation and  
14 taxation of cigarettes. The secondary distributor's report  
15 shall be accompanied by appropriate computer generated  
16 magnetic media supporting schedule data in the format required  
17 by the Department, unless, as provided by rule, the Department  
18 grants an exception upon petition of a secondary distributor.

19           A certification by the Director of the Department that a  
20 report has not been filed, or that information has not been  
21 supplied pursuant to the provisions of this Act, shall be  
22 prima facie evidence thereof.

23           (Source: P.A. 96-1027, eff. 7-12-10.)

24           Section 80-15. The Tobacco Products Tax Act of 1995 is  
25 amended by changing Section 10-30 as follows:

1 (35 ILCS 143/10-30)

2 Sec. 10-30. Returns.

3 (a) Every distributor shall, on or before the 15th day of  
4 each month, file a return with the Department covering the  
5 preceding calendar month. The return shall disclose the  
6 wholesale price for all tobacco products other than moist  
7 snuff and the quantity in ounces of moist snuff sold or  
8 otherwise disposed of and other information that the  
9 Department may reasonably require. Information that the  
10 Department may reasonably require includes information related  
11 to the uniform regulation and taxation of tobacco products.  
12 The return shall be filed upon a form prescribed and furnished  
13 by the Department.

14 (b) In addition to the information required under  
15 subsection (a), on or before the 15th day of each month,  
16 covering the preceding calendar month, each stamping  
17 distributor shall, on forms prescribed and furnished by the  
18 Department, report the quantity of little cigars sold or  
19 otherwise disposed of, including the number of packages of  
20 little cigars sold or disposed of during the month containing  
21 20 or 25 little cigars.

22 (c) At the time when any return of any distributor is due  
23 to be filed with the Department, the distributor shall also  
24 remit to the Department the tax liability that the distributor  
25 has incurred for transactions occurring in the preceding



1 calendar month.

2 (d) The Department may adopt rules to require the  
3 electronic filing of any return or document required to be  
4 filed under this Act. Those rules may provide for exceptions  
5 from the filing requirement set forth in this paragraph for  
6 persons who demonstrate that they do not have access to the  
7 Internet and petition the Department to waive the electronic  
8 filing requirement.

9 (e) If any payment provided for in this Section exceeds  
10 the distributor's liabilities under this Act, as shown on an  
11 original return, the distributor may credit such excess  
12 payment against liability subsequently to be remitted to the  
13 Department under this Act, in accordance with reasonable rules  
14 adopted by the Department.

15 (Source: P.A. 100-1171, eff. 1-4-19.)

16 ARTICLE 85.

17 Section 85-5. The Illinois Income Tax Act is amended by  
18 changing Section 304 as follows:

19 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

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

21 (a) In general. The business income of a person other than  
22 a resident shall be allocated to this State if such person's  
23 business income is derived solely from this State. If a person

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

18 (1) Property factor.

19 (A) The property factor is a fraction, the numerator  
20 of which is the average value of the person's real and  
21 tangible personal property owned or rented and used in the  
22 trade or business in this State during the taxable year  
23 and the denominator of which is the average value of all  
24 the person's real and tangible personal property owned or  
25 rented and used in the trade or business during the  
26 taxable year.

1 (B) Property owned by the person is valued at its  
2 original cost. Property rented by the person is valued at  
3 8 times the net annual rental rate. Net annual rental rate  
4 is the annual rental rate paid by the person less any  
5 annual rental rate received by the person from  
6 sub-rentals.

7 (C) The average value of property shall be determined  
8 by averaging the values at the beginning and ending of the  
9 taxable year, but the Director may require the averaging  
10 of monthly values during the taxable year if reasonably  
11 required to reflect properly the average value of the  
12 person's property.

13 (2) Payroll factor.

14 (A) The payroll factor is a fraction, the numerator of  
15 which is the total amount paid in this State during the  
16 taxable year by the person for compensation, and the  
17 denominator of which is the total compensation paid  
18 everywhere during the taxable year.

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

20 (i) The individual's service is performed entirely  
21 within this State;

22 (ii) The individual's service is performed both  
23 within and without this State, but the service  
24 performed without this State is incidental to the  
25 individual's service performed within this State; or

26 (iii) For tax years ending prior to December 31,

1           2020, some of the service is performed within this  
2           State and either the base of operations, or if there is  
3           no base of operations, the place from which the  
4           service is directed or controlled is within this  
5           State, or the base of operations or the place from  
6           which the service is directed or controlled is not in  
7           any state in which some part of the service is  
8           performed, but the individual's residence is in this  
9           State. For tax years ending on or after December 31,  
10          2020, compensation is paid in this State if some of the  
11          individual's service is performed within this State,  
12          the individual's service performed within this State  
13          is nonincidental to the individual's service performed  
14          without this State, and the individual's service is  
15          performed within this State for more than 30 working  
16          days during the tax year. The amount of compensation  
17          paid in this State shall include the portion of the  
18          individual's total compensation for services performed  
19          on behalf of his or her employer during the tax year  
20          which the number of working days spent within this  
21          State during the tax year bears to the total number of  
22          working days spent both within and without this State  
23          during the tax year. For purposes of this paragraph:

24                   (a) The term "working day" means all days  
25                   during the tax year in which the individual  
26                   performs duties on behalf of his or her employer.

1 All days in which the individual performs no  
2 duties on behalf of his or her employer (e.g.,  
3 weekends, vacation days, sick days, and holidays)  
4 are not working days.

5 (b) A working day is spent within this State  
6 if:

7 (1) the individual performs service on  
8 behalf of the employer and a greater amount of  
9 time on that day is spent by the individual  
10 performing duties on behalf of the employer  
11 within this State, without regard to time  
12 spent traveling, than is spent performing  
13 duties on behalf of the employer without this  
14 State; or

15 (2) the only service the individual  
16 performs on behalf of the employer on that day  
17 is traveling to a destination within this  
18 State, and the individual arrives on that day.

19 (c) Working days spent within this State do  
20 not include any day in which the employee is  
21 performing services in this State during a  
22 disaster period solely in response to a request  
23 made to his or her employer by the government of  
24 this State, by any political subdivision of this  
25 State, or by a person conducting business in this  
26 State to perform disaster or emergency-related

1 services in this State. For purposes of this item

2 (c):

3 "Declared State disaster or emergency"  
4 means a disaster or emergency event (i) for  
5 which a Governor's proclamation of a state of  
6 emergency has been issued or (ii) for which a  
7 Presidential declaration of a federal major  
8 disaster or emergency has been issued.

9 "Disaster period" means a period that  
10 begins 10 days prior to the date of the  
11 Governor's proclamation or the President's  
12 declaration (whichever is earlier) and extends  
13 for a period of 60 calendar days after the end  
14 of the declared disaster or emergency period.

15 "Disaster or emergency-related services"  
16 means repairing, renovating, installing,  
17 building, or rendering services or conducting  
18 other business activities that relate to  
19 infrastructure that has been damaged,  
20 impaired, or destroyed by the declared State  
21 disaster or emergency.

22 "Infrastructure" means property and  
23 equipment owned or used by a public utility,  
24 communications network, broadband and internet  
25 service provider, cable and video service  
26 provider, electric or gas distribution system,

1 or water pipeline that provides service to  
2 more than one customer or person, including  
3 related support facilities. "Infrastructure"  
4 includes, but is not limited to, real and  
5 personal property such as buildings, offices,  
6 power lines, cable lines, poles,  
7 communications lines, pipes, structures, and  
8 equipment.

9 (iv) Compensation paid to nonresident professional  
10 athletes.

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

21 (b) Travel days. Travel days that do not involve  
22 either a game, practice, team meeting, or other  
23 similar team event are not considered duty days spent  
24 in this State. However, such travel days are  
25 considered in the total duty days spent both within  
26 and without this State.

1 (c) Definitions. For purposes of this subpart  
2 (iv):

3 (1) The term "professional athletic team"  
4 includes, but is not limited to, any professional  
5 baseball, basketball, football, soccer, or hockey  
6 team.

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

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



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

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

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

1 leaves the team. Where a person switches teams  
2 during a taxable year, a separate duty-day  
3 calculation shall be made for the period the  
4 person was with each team.

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

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

23 (4) The term "total compensation for services  
24 performed as a member of a professional athletic  
25 team" means the total compensation received during  
26 the taxable year for services performed:

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

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

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

22 For purposes of this subparagraph, "bonuses"  
23 included in "total compensation for services  
24 performed as a member of a professional athletic  
25 team" subject to the allocation described in  
26 Section 302(c)(1) are: bonuses earned as a result

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

13 (3) Sales factor.

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

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

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

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

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

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

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

25                 (ii) Place of utilization.

26                         (I) A patent is utilized in a state to the

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

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

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

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

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

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

1 State if the customer's service address is in this State.

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

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

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

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

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

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



1 services" used to reach the conference bridge.

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

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

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

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

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

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

1 of the home service provider.

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

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

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

1 in advance that is sold in predetermined units or  
2 dollars of which the number declines with use in a  
3 known amount.

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

13 "Service address" means:

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

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

26 (c) If the locations in line (a) and line (b)

1           are not known, the service address means the  
2           location of the customer's place of primary use.

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

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

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

24                 (c) Tangible personal property;

25                 (d) Advertising, including, but not limited  
26                 to, directory advertising;

1 (e) Billing and collection services provided  
2 to third parties;

3 (f) Internet access service;

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

15 (h) "Ancillary services"; or

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

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

26 "Voice mail service" means an "ancillary service"

1           that enables the customer to store, send or receive  
2           recorded messages. "Voice mail service" does not  
3           include any "vertical services" that the customer may  
4           be required to have in order to utilize the "voice mail  
5           service".

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

9                   (a) The call both originates and terminates in  
10                   this State.

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

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

23           (iv) Receipts from the sale of prepaid  
24           telecommunications service or prepaid mobile  
25           telecommunications service at retail are in this State  
26           if the purchaser obtains the prepaid card or similar

1 means of conveyance at a location in this State.  
2 Receipts from recharging a prepaid telecommunications  
3 service or mobile telecommunications service is in  
4 this State if the purchaser's billing information  
5 indicates a location in this State.

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

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

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

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

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

1 (vi) Receipts from charges for ancillary services  
2 for telecommunications service sold to customers at  
3 retail are in this State if the customer's primary  
4 place of use of telecommunications services associated  
5 with those ancillary services is in this State. If the  
6 seller of those ancillary services cannot determine  
7 where the associated telecommunications are located,  
8 then the ancillary services shall be based on the  
9 location of the purchaser.

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

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

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

22 (c) 100% of the receipts from interstate end  
23 user access line charges, if the customer's  
24 service address is in this State. As used in this  
25 subdivision, "interstate end user access line  
26 charges" includes, but is not limited to, the



1 surcharge approved by the federal communications  
2 commission and levied pursuant to 47 CFR 69.

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

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

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

26 "Audience factor" means the ratio that the

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

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

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

1 series relates to the same principal subject and is  
2 produced during one or more tax periods.

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

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

20 (ii) In the case where film or radio  
21 programming is broadcast by a station, a network,  
22 or a cable system for a fee or other remuneration  
23 received from the recipient of the broadcast, the  
24 portion of the service that is received in this  
25 State is measured by the portion of the recipients  
26 of the broadcast located in this State.

1           Accordingly, the fee or other remuneration for  
2           such service that is included in the Illinois  
3           numerator of the sales factor is the total of  
4           those fees or other remuneration received from  
5           recipients in Illinois. For purposes of this  
6           paragraph, a taxpayer may determine the location  
7           of the recipients of its broadcast using the  
8           address of the recipient shown in its contracts  
9           with the recipient or using the billing address of  
10          the recipient in the taxpayer's records.

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

26           (iv) In the case where film or radio

1 programming is provided by a taxpayer that is a  
2 network or station to a customer for broadcast in  
3 exchange for a fee or other remuneration from that  
4 customer the broadcasting service is received at  
5 the location of the office of the customer from  
6 which the services were ordered in the regular  
7 course of the customer's trade or business.  
8 Accordingly, in such a case the revenue derived by  
9 the taxpayer that is included in the taxpayer's  
10 Illinois numerator of the sales factor is the  
11 revenue from such customers who receive the  
12 broadcasting service in Illinois.

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

26 (B-8) Gross receipts from winnings under the Illinois

1 Lottery Law from the assignment of a prize under Section  
2 13.1 of the Illinois Lottery Law are received in this  
3 State. This paragraph (B-8) applies only to taxable years  
4 ending on or after December 31, 2013.

5 (B-9) For taxable years ending on or after December  
6 31, 2019, gross receipts from winnings from pari-mutuel  
7 wagering conducted at a wagering facility licensed under  
8 the Illinois Horse Racing Act of 1975 or from winnings  
9 from gambling games conducted on a riverboat or in a  
10 casino or organization gaming facility licensed under the  
11 Illinois Gambling Act are in this State.

12 (B-10) For taxable years ending on or after December  
13 31, 2021, gross receipts from winnings from sports  
14 wagering conducted in accordance with the Sports Wagering  
15 Act are in this State.

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

19 (i) The income-producing activity is performed in  
20 this State; or

21 (ii) The income-producing activity is performed  
22 both within and without this State and a greater  
23 proportion of the income-producing activity is  
24 performed within this State than without this State,  
25 based on performance costs.

26 (C-5) For taxable years ending on or after December

1 31, 2008, sales, other than sales governed by paragraphs  
2 (B), (B-1), (B-2), (B-5), and (B-7), are in this State if  
3 any of the following criteria are met:

4 (i) Sales from the sale or lease of real property  
5 are in this State if the property is located in this  
6 State.

7 (ii) Sales from the lease or rental of tangible  
8 personal property are in this State if the property is  
9 located in this State during the rental period. Sales  
10 from the lease or rental of tangible personal property  
11 that is characteristically moving property, including,  
12 but not limited to, motor vehicles, rolling stock,  
13 aircraft, vessels, or mobile equipment are in this  
14 State to the extent that the property is used in this  
15 State.

16 (iii) In the case of interest, net gains (but not  
17 less than zero) and other items of income from  
18 intangible personal property, the sale is in this  
19 State if:

20 (a) in the case of a taxpayer who is a dealer  
21 in the item of intangible personal property within  
22 the meaning of Section 475 of the Internal Revenue  
23 Code, the income or gain is received from a  
24 customer in this State. For purposes of this  
25 subparagraph, a customer is in this State if the  
26 customer is an individual, trust or estate who is

1 a resident of this State and, for all other  
2 customers, if the customer's commercial domicile  
3 is in this State. Unless the dealer has actual  
4 knowledge of the residence or commercial domicile  
5 of a customer during a taxable year, the customer  
6 shall be deemed to be a customer in this State if  
7 the billing address of the customer, as shown in  
8 the records of the dealer, is in this State; or

9 (b) in all other cases, if the  
10 income-producing activity of the taxpayer is  
11 performed in this State or, if the  
12 income-producing activity of the taxpayer is  
13 performed both within and without this State, if a  
14 greater proportion of the income-producing  
15 activity of the taxpayer is performed within this  
16 State than in any other state, based on  
17 performance costs.

18 (iv) Sales of services are in this State if the  
19 services are received in this State. For the purposes  
20 of this section, gross receipts from the performance  
21 of services provided to a corporation, partnership, or  
22 trust may only be attributed to a state where that  
23 corporation, partnership, or trust has a fixed place  
24 of business. If the state where the services are  
25 received is not readily determinable or is a state  
26 where the corporation, partnership, or trust receiving



1           the service does not have a fixed place of business,  
2           the services shall be deemed to be received at the  
3           location of the office of the customer from which the  
4           services were ordered in the regular course of the  
5           customer's trade or business. If the ordering office  
6           cannot be determined, the services shall be deemed to  
7           be received at the office of the customer to which the  
8           services are billed. If the taxpayer is not taxable in  
9           the state in which the services are received, the sale  
10          must be excluded from both the numerator and the  
11          denominator of the sales factor. The Department shall  
12          adopt rules prescribing where specific types of  
13          service are received, including, but not limited to,  
14          publishing, and utility service.

15           (D) For taxable years ending on or after December 31,  
16          1995, the following items of income shall not be included  
17          in the numerator or denominator of the sales factor:  
18          dividends; amounts included under Section 78 of the  
19          Internal Revenue Code; and Subpart F income as defined in  
20          Section 952 of the Internal Revenue Code. No inference  
21          shall be drawn from the enactment of this paragraph (D) in  
22          construing this Section for taxable years ending before  
23          December 31, 1995.

24           (E) Paragraphs (B-1) and (B-2) shall apply to tax  
25          years ending on or after December 31, 1999, provided that  
26          a taxpayer may elect to apply the provisions of these

1 paragraphs to prior tax years. Such election shall be made  
2 in the form and manner prescribed by the Department, shall  
3 be irrevocable, and shall apply to all tax years; provided  
4 that, if a taxpayer's Illinois income tax liability for  
5 any tax year, as assessed under Section 903 prior to  
6 January 1, 1999, was computed in a manner contrary to the  
7 provisions of paragraphs (B-1) or (B-2), no refund shall  
8 be payable to the taxpayer for that tax year to the extent  
9 such refund is the result of applying the provisions of  
10 paragraph (B-1) or (B-2) retroactively. In the case of a  
11 unitary business group, such election shall apply to all  
12 members of such group for every tax year such group is in  
13 existence, but shall not apply to any taxpayer for any  
14 period during which that taxpayer is not a member of such  
15 group.

16 (b) Insurance companies.

17 (1) In general. Except as otherwise provided by  
18 paragraph (2), business income of an insurance company for  
19 a taxable year shall be apportioned to this State by  
20 multiplying such income by a fraction, the numerator of  
21 which is the direct premiums written for insurance upon  
22 property or risk in this State, and the denominator of  
23 which is the direct premiums written for insurance upon  
24 property or risk everywhere. For purposes of this  
25 subsection, the term "direct premiums written" means the  
26 total amount of direct premiums written, assessments and

1 annuity considerations as reported for the taxable year on  
2 the annual statement filed by the company with the  
3 Illinois Director of Insurance in the form approved by the  
4 National Convention of Insurance Commissioners or such  
5 other form as may be prescribed in lieu thereof.

6 (2) Reinsurance. If the principal source of premiums  
7 written by an insurance company consists of premiums for  
8 reinsurance accepted by it, the business income of such  
9 company shall be apportioned to this State by multiplying  
10 such income by a fraction, the numerator of which is the  
11 sum of (i) direct premiums written for insurance upon  
12 property or risk in this State, plus (ii) premiums written  
13 for reinsurance accepted in respect of property or risk in  
14 this State, and the denominator of which is the sum of  
15 (iii) direct premiums written for insurance upon property  
16 or risk everywhere, plus (iv) premiums written for  
17 reinsurance accepted in respect of property or risk  
18 everywhere. For purposes of this paragraph, premiums  
19 written for reinsurance accepted in respect of property or  
20 risk in this State, whether or not otherwise determinable,  
21 may, at the election of the company, be determined on the  
22 basis of the proportion which premiums written for  
23 reinsurance accepted from companies commercially domiciled  
24 in Illinois bears to premiums written for reinsurance  
25 accepted from all sources, or, alternatively, in the  
26 proportion which the sum of the direct premiums written

1 for insurance upon property or risk in this State by each  
2 ceding company from which reinsurance is accepted bears to  
3 the sum of the total direct premiums written by each such  
4 ceding company for the taxable year. The election made by  
5 a company under this paragraph for its first taxable year  
6 ending on or after December 31, 2011, shall be binding for  
7 that company for that taxable year and for all subsequent  
8 taxable years, and may be altered only with the written  
9 permission of the Department, which shall not be  
10 unreasonably withheld.

11 (c) Financial organizations.

12 (1) In general. For taxable years ending before  
13 December 31, 2008, business income of a financial  
14 organization shall be apportioned to this State by  
15 multiplying such income by a fraction, the numerator of  
16 which is its business income from sources within this  
17 State, and the denominator of which is its business income  
18 from all sources. For the purposes of this subsection, the  
19 business income of a financial organization from sources  
20 within this State is the sum of the amounts referred to in  
21 subparagraphs (A) through (E) following, but excluding the  
22 adjusted income of an international banking facility as  
23 determined in paragraph (2):

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

26 (B) Gross profits from trading in stocks, bonds or

1 other securities managed within this State;

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

4 (D) Interest charged to customers at places of  
5 business maintained within this State for carrying  
6 debit balances of margin accounts, without deduction  
7 of any costs incurred in carrying such accounts; and

8 (E) Any other gross income resulting from the  
9 operation as a financial organization within this  
10 State.

11 In computing the amounts referred to in paragraphs (A)  
12 through (E) of this subsection, any amount received by a  
13 member of an affiliated group (determined under Section  
14 1504(a) of the Internal Revenue Code but without reference  
15 to whether any such corporation is an "includible  
16 corporation" under Section 1504(b) of the Internal Revenue  
17 Code) from another member of such group shall be included  
18 only to the extent such amount exceeds expenses of the  
19 recipient directly related thereto.

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

22 (A) Adjusted Income. The adjusted income of an  
23 international banking facility is its income reduced  
24 by the amount of the floor amount.

25 (B) Floor Amount. The floor amount shall be the  
26 amount, if any, determined by multiplying the income

1 of the international banking facility by a fraction,  
2 not greater than one, which is determined as follows:

3 (i) The numerator shall be:

4 The average aggregate, determined on a  
5 quarterly basis, of the financial organization's  
6 loans to banks in foreign countries, to foreign  
7 domiciled borrowers (except where secured  
8 primarily by real estate) and to foreign  
9 governments and other foreign official  
10 institutions, as reported for its branches,  
11 agencies and offices within the state on its  
12 "Consolidated Report of Condition", Schedule A,  
13 Lines 2.c., 5.b., and 7.a., which was filed with  
14 the Federal Deposit Insurance Corporation and  
15 other regulatory authorities, for the year 1980,  
16 minus

17 The average aggregate, determined on a  
18 quarterly basis, of such loans (other than loans  
19 of an international banking facility), as reported  
20 by the financial institution for its branches,  
21 agencies and offices within the state, on the  
22 corresponding Schedule and lines of the  
23 Consolidated Report of Condition for the current  
24 taxable year, provided, however, that in no case  
25 shall the amount determined in this clause (the  
26 subtrahend) exceed the amount determined in the

1 preceding clause (the minuend); and

2 (ii) the denominator shall be the average  
3 aggregate, determined on a quarterly basis, of the  
4 international banking facility's loans to banks in  
5 foreign countries, to foreign domiciled borrowers  
6 (except where secured primarily by real estate)  
7 and to foreign governments and other foreign  
8 official institutions, which were recorded in its  
9 financial accounts for the current taxable year.

10 (C) Change to Consolidated Report of Condition and  
11 in Qualification. In the event the Consolidated Report  
12 of Condition which is filed with the Federal Deposit  
13 Insurance Corporation and other regulatory authorities  
14 is altered so that the information required for  
15 determining the floor amount is not found on Schedule  
16 A, lines 2.c., 5.b. and 7.a., the financial  
17 institution shall notify the Department and the  
18 Department may, by regulations or otherwise, prescribe  
19 or authorize the use of an alternative source for such  
20 information. The financial institution shall also  
21 notify the Department should its international banking  
22 facility fail to qualify as such, in whole or in part,  
23 or should there be any amendment or change to the  
24 Consolidated Report of Condition, as originally filed,  
25 to the extent such amendment or change alters the  
26 information used in determining the floor amount.

1           (3) For taxable years ending on or after December 31,  
2           2008, the business income of a financial organization  
3           shall be apportioned to this State by multiplying such  
4           income by a fraction, the numerator of which is its gross  
5           receipts from sources in this State or otherwise  
6           attributable to this State's marketplace and the  
7           denominator of which is its gross receipts everywhere  
8           during the taxable year. "Gross receipts" for purposes of  
9           this subparagraph (3) means gross income, including net  
10          taxable gain on disposition of assets, including  
11          securities and money market instruments, when derived from  
12          transactions and activities in the regular course of the  
13          financial organization's trade or business. The following  
14          examples are illustrative:

15               (i) Receipts from the lease or rental of real or  
16               tangible personal property are in this State if the  
17               property is located in this State during the rental  
18               period. Receipts from the lease or rental of tangible  
19               personal property that is characteristically moving  
20               property, including, but not limited to, motor  
21               vehicles, rolling stock, aircraft, vessels, or mobile  
22               equipment are from sources in this State to the extent  
23               that the property is used in this State.

24               (ii) Interest income, commissions, fees, gains on  
25               disposition, and other receipts from assets in the  
26               nature of loans that are secured primarily by real



1 estate or tangible personal property are from sources  
2 in this State if the security is located in this State.

3 (iii) Interest income, commissions, fees, gains on  
4 disposition, and other receipts from consumer loans  
5 that are not secured by real or tangible personal  
6 property are from sources in this State if the debtor  
7 is a resident of this State.

8 (iv) Interest income, commissions, fees, gains on  
9 disposition, and other receipts from commercial loans  
10 and installment obligations that are not secured by  
11 real or tangible personal property are from sources in  
12 this State if the proceeds of the loan are to be  
13 applied in this State. If it cannot be determined  
14 where the funds are to be applied, the income and  
15 receipts are from sources in this State if the office  
16 of the borrower from which the loan was negotiated in  
17 the regular course of business is located in this  
18 State. If the location of this office cannot be  
19 determined, the income and receipts shall be excluded  
20 from the numerator and denominator of the sales  
21 factor.

22 (v) Interest income, fees, gains on disposition,  
23 service charges, merchant discount income, and other  
24 receipts from credit card receivables are from sources  
25 in this State if the card charges are regularly billed  
26 to a customer in this State.

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

6 (vii) Receipts from the issuance of travelers  
7 checks and money orders are from sources in this State  
8 if the checks and money orders are issued from a  
9 location within this State.

10 (viii) For tax years ending before December 31,  
11 2024, receipts ~~Receipts~~ from investment assets and  
12 activities and trading assets and activities are  
13 included in the receipts factor as follows:

14 (1) Interest, dividends, net gains (but not  
15 less than zero) and other income from investment  
16 assets and activities from trading assets and  
17 activities shall be included in the receipts  
18 factor. Investment assets and activities and  
19 trading assets and activities include, but are not  
20 limited to: investment securities; trading account  
21 assets; federal funds; securities purchased and  
22 sold under agreements to resell or repurchase;  
23 options; futures contracts; forward contracts;  
24 notional principal contracts such as swaps;  
25 equities; and foreign currency transactions. With  
26 respect to the investment and trading assets and

1 activities described in subparagraphs (A) and (B)  
2 of this paragraph, the receipts factor shall  
3 include the amounts described in such  
4 subparagraphs.

5 (A) The receipts factor shall include the  
6 amount by which interest from federal funds  
7 sold and securities purchased under resale  
8 agreements exceeds interest expense on federal  
9 funds purchased and securities sold under  
10 repurchase agreements.

11 (B) The receipts factor shall include the  
12 amount by which interest, dividends, gains and  
13 other income from trading assets and  
14 activities, including, but not limited to,  
15 assets and activities in the matched book, in  
16 the arbitrage book, and foreign currency  
17 transactions, exceed amounts paid in lieu of  
18 interest, amounts paid in lieu of dividends,  
19 and losses from such assets and activities.

20 (2) The numerator of the receipts factor  
21 includes interest, dividends, net gains (but not  
22 less than zero), and other income from investment  
23 assets and activities and from trading assets and  
24 activities described in paragraph (1) of this  
25 subsection that are attributable to this State.

26 (A) The amount of interest, dividends, net

1 gains (but not less than zero), and other  
2 income from investment assets and activities  
3 in the investment account to be attributed to  
4 this State and included in the numerator is  
5 determined by multiplying all such income from  
6 such assets and activities by a fraction, the  
7 numerator of which is the gross income from  
8 such assets and activities which are properly  
9 assigned to a fixed place of business of the  
10 taxpayer within this State and the denominator  
11 of which is the gross income from all such  
12 assets and activities.

13 (B) The amount of interest from federal  
14 funds sold and purchased and from securities  
15 purchased under resale agreements and  
16 securities sold under repurchase agreements  
17 attributable to this State and included in the  
18 numerator is determined by multiplying the  
19 amount described in subparagraph (A) of  
20 paragraph (1) of this subsection from such  
21 funds and such securities by a fraction, the  
22 numerator of which is the gross income from  
23 such funds and such securities which are  
24 properly assigned to a fixed place of business  
25 of the taxpayer within this State and the  
26 denominator of which is the gross income from

1 all such funds and such securities.

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

20 (D) Properly assigned, for purposes of  
21 this paragraph (2) of this subsection, means  
22 the investment or trading asset or activity is  
23 assigned to the fixed place of business with  
24 which it has a preponderance of substantive  
25 contacts. An investment or trading asset or  
26 activity assigned by the taxpayer to a fixed

1 place of business without the State shall be  
2 presumed to have been properly assigned if:

3 (i) the taxpayer has assigned, in the  
4 regular course of its business, such asset  
5 or activity on its records to a fixed  
6 place of business consistent with federal  
7 or state regulatory requirements;

8 (ii) such assignment on its records is  
9 based upon substantive contacts of the  
10 asset or activity to such fixed place of  
11 business; and

12 (iii) the taxpayer uses such records  
13 reflecting assignment of such assets or  
14 activities for the filing of all state and  
15 local tax returns for which an assignment  
16 of such assets or activities to a fixed  
17 place of business is required.

18 (E) The presumption of proper assignment  
19 of an investment or trading asset or activity  
20 provided in subparagraph (D) of paragraph (2)  
21 of this subsection may be rebutted upon a  
22 showing by the Department, supported by a  
23 preponderance of the evidence, that the  
24 preponderance of substantive contacts  
25 regarding such asset or activity did not occur  
26 at the fixed place of business to which it was

1 assigned on the taxpayer's records. If the  
2 fixed place of business that has a  
3 preponderance of substantive contacts cannot  
4 be determined for an investment or trading  
5 asset or activity to which the presumption in  
6 subparagraph (D) of paragraph (2) of this  
7 subsection does not apply or with respect to  
8 which that presumption has been rebutted, that  
9 asset or activity is properly assigned to the  
10 state in which the taxpayer's commercial  
11 domicile is located. For purposes of this  
12 subparagraph (E), it shall be presumed,  
13 subject to rebuttal, that taxpayer's  
14 commercial domicile is in the state of the  
15 United States or the District of Columbia to  
16 which the greatest number of employees are  
17 regularly connected with the management of the  
18 investment or trading income or out of which  
19 they are working, irrespective of where the  
20 services of such employees are performed, as  
21 of the last day of the taxable year.

22 (ix) For tax years ending on or after December 31,  
23 2024, receipts from investment assets and activities  
24 and trading assets and activities are included in the  
25 receipts factor as follows:

26 (1) Interest, dividends, net gains (but not

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

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

23                   (B) The receipts factor shall include the  
24                   amount by which interest, dividends, gains and  
25                   other income from trading assets and  
26                   activities, including, but not limited to,



1           assets and activities in the matched book, in  
2           the arbitrage book, and foreign currency  
3           transactions, exceed amounts paid in lieu of  
4           interest, amounts paid in lieu of dividends,  
5           and losses from such assets and activities.

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

12           (A) The amount of interest, dividends, net  
13           gains (but not less than zero), and other  
14           income from investment assets and activities  
15           in the investment account to be attributed to  
16           this State and included in the numerator is  
17           determined by multiplying all of the income  
18           from those assets and activities by a  
19           fraction, the numerator of which is the total  
20           receipts included in the numerator pursuant to  
21           items (i) through (vii) of this subparagraph  
22           (3) and the denominator of which is all total  
23           receipts included in the denominator, other  
24           than interest, dividends, net gains (but not  
25           less than zero), and other income from  
26           investment assets and activities and trading

1 assets and activities.

2 (B) The amount of interest from federal  
3 funds sold and purchased and from securities  
4 purchased under resale agreements and  
5 securities sold under repurchase agreements  
6 attributable to this State and included in the  
7 numerator is determined by multiplying the  
8 amount described in subparagraph (A) of  
9 paragraph (1) of this subsection from such  
10 funds and such securities by a fraction, the  
11 numerator of which is the total receipts  
12 included in the numerator pursuant to items  
13 (i) through (vii) of this subparagraph (3) and  
14 the denominator of which is all total receipts  
15 included in the denominator, other than  
16 interest, dividends, net gains (but not less  
17 than zero), and other income from investment  
18 assets and activities and trading assets and  
19 activities.

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 total receipts included in the  
7           numerator pursuant to items (i) through (vii)  
8           of this subparagraph (3) and the denominator  
9           of which is all total receipts included in the  
10           denominator, other than interest, dividends,  
11           net gains (but not less than zero), and other  
12           income from investment assets and activities  
13           and trading assets and activities.

14           (4) (Blank).

15           (5) (Blank).

16           (c-1) Federally regulated exchanges. For taxable years  
17 ending on or after December 31, 2012, business income of a  
18 federally regulated exchange shall, at the option of the  
19 federally regulated exchange, be apportioned to this State by  
20 multiplying such income by a fraction, the numerator of which  
21 is its business income from sources within this State, and the  
22 denominator of which is its business income from all sources.  
23 For purposes of this subsection, the business income within  
24 this State of a federally regulated exchange is the sum of the  
25 following:

26           (1) Receipts attributable to transactions executed on

1 a physical trading floor if that physical trading floor is  
2 located in this State.

3 (2) Receipts attributable to all other matching,  
4 execution, or clearing transactions, including without  
5 limitation receipts from the provision of matching,  
6 execution, or clearing services to another entity,  
7 multiplied by (i) for taxable years ending on or after  
8 December 31, 2012 but before December 31, 2013, 63.77%;  
9 and (ii) for taxable years ending on or after December 31,  
10 2013, 27.54%.

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

15 "Federally regulated exchange" means (i) a "registered  
16 entity" within the meaning of 7 U.S.C. Section 1a(40) (A), (B),  
17 or (C), (ii) an "exchange" or "clearing agency" within the  
18 meaning of 15 U.S.C. Section 78c (a) (1) or (23), (iii) any such  
19 entities regulated under any successor regulatory structure to  
20 the foregoing, and (iv) all taxpayers who are members of the  
21 same unitary business group as a federally regulated exchange,  
22 determined without regard to the prohibition in Section  
23 1501(a) (27) of this Act against including in a unitary  
24 business group taxpayers who are ordinarily required to  
25 apportion business income under different subsections of this  
26 Section; provided that this subparagraph (iv) shall apply only

1 if 50% or more of the business receipts of the unitary business  
2 group determined by application of this subparagraph (iv) for  
3 the taxable year are attributable to the matching, execution,  
4 or clearing of transactions conducted by an entity described  
5 in subparagraph (i), (ii), or (iii) of this paragraph.

6 In no event shall the Illinois apportionment percentage  
7 computed in accordance with this subsection (c-1) for any  
8 taxpayer for any tax year be less than the Illinois  
9 apportionment percentage computed under this subsection (c-1)  
10 for that taxpayer for the first full tax year ending on or  
11 after December 31, 2013 for which this subsection (c-1)  
12 applied to the taxpayer.

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

17 (1) Such business income (other than that derived from  
18 transportation by pipeline) shall be apportioned to this  
19 State by multiplying such income by a fraction, the  
20 numerator of which is the revenue miles of the person in  
21 this State, and the denominator of which is the revenue  
22 miles of the person everywhere. For purposes of this  
23 paragraph, a revenue mile is the transportation of 1  
24 passenger or 1 net ton of freight the distance of 1 mile  
25 for a consideration. Where a person is engaged in the  
26 transportation of both passengers and freight, the

1 fraction above referred to shall be determined by means of  
2 an average of the passenger revenue mile fraction and the  
3 freight revenue mile fraction, weighted to reflect the  
4 person's

5 (A) relative railway operating income from total  
6 passenger and total freight service, as reported to  
7 the Interstate Commerce Commission, in the case of  
8 transportation by railroad, and

9 (B) relative gross receipts from passenger and  
10 freight transportation, in case of transportation  
11 other than by railroad.

12 (2) Such business income derived from transportation  
13 by pipeline shall be apportioned to this State by  
14 multiplying such income by a fraction, the numerator of  
15 which is the revenue miles of the person in this State, and  
16 the denominator of which is the revenue miles of the  
17 person everywhere. For the purposes of this paragraph, a  
18 revenue mile is the transportation by pipeline of 1 barrel  
19 of oil, 1,000 cubic feet of gas, or of any specified  
20 quantity of any other substance, the distance of 1 mile  
21 for a consideration.

22 (3) For taxable years ending on or after December 31,  
23 2008, business income derived from providing  
24 transportation services other than airline services shall  
25 be apportioned to this State by using a fraction, (a) the  
26 numerator of which shall be (i) all receipts from any

1 movement or shipment of people, goods, mail, oil, gas, or  
2 any other substance (other than by airline) that both  
3 originates and terminates in this State, plus (ii) that  
4 portion of the person's gross receipts from movements or  
5 shipments of people, goods, mail, oil, gas, or any other  
6 substance (other than by airline) that originates in one  
7 state or jurisdiction and terminates in another state or  
8 jurisdiction, that is determined by the ratio that the  
9 miles traveled in this State bears to total miles  
10 everywhere and (b) the denominator of which shall be all  
11 revenue derived from the movement or shipment of people,  
12 goods, mail, oil, gas, or any other substance (other than  
13 by airline). Where a taxpayer is engaged in the  
14 transportation of both passengers and freight, the  
15 fraction above referred to shall first be determined  
16 separately for passenger miles and freight miles. Then an  
17 average of the passenger miles fraction and the freight  
18 miles fraction shall be weighted to reflect the  
19 taxpayer's:

20 (A) relative railway operating income from total  
21 passenger and total freight service, as reported to  
22 the Surface Transportation Board, in the case of  
23 transportation by railroad; and

24 (B) relative gross receipts from passenger and  
25 freight transportation, in case of transportation  
26 other than by railroad.

1           (4) For taxable years ending on or after December 31,  
2           2008, business income derived from furnishing airline  
3           transportation services shall be apportioned to this State  
4           by multiplying such income by a fraction, the numerator of  
5           which is the revenue miles of the person in this State, and  
6           the denominator of which is the revenue miles of the  
7           person everywhere. For purposes of this paragraph, a  
8           revenue mile is the transportation of one passenger or one  
9           net ton of freight the distance of one mile for a  
10          consideration. If a person is engaged in the  
11          transportation of both passengers and freight, the  
12          fraction above referred to shall be determined by means of  
13          an average of the passenger revenue mile fraction and the  
14          freight revenue mile fraction, weighted to reflect the  
15          person's relative gross receipts from passenger and  
16          freight airline transportation.

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

23          (f) Alternative allocation. If the allocation and  
24          apportionment provisions of subsections (a) through (e) and of  
25          subsection (h) do not, for taxable years ending before  
26          December 31, 2008, fairly represent the extent of a person's



1 business activity in this State, or, for taxable years ending  
2 on or after December 31, 2008, fairly represent the market for  
3 the person's goods, services, or other sources of business  
4 income, the person may petition for, or the Director may,  
5 without a petition, permit or require, in respect of all or any  
6 part of the person's business activity, if reasonable:

7 (1) Separate accounting;

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

9 (3) The inclusion of one or more additional factors  
10 which will fairly represent the person's business  
11 activities or market in this State; or

12 (4) The employment of any other method to effectuate  
13 an equitable allocation and apportionment of the person's  
14 business income.

15 (g) Cross reference. For allocation of business income by  
16 residents, see Section 301(a).

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

20 (1) for tax years ending on or after December 31, 1998  
21 and before December 31, 1999, 16 2/3% of the property  
22 factor plus 16 2/3% of the payroll factor plus 66 2/3% of  
23 the sales factor;

24 (2) for tax years ending on or after December 31, 1999  
25 and before December 31, 2000, 8 1/3% of the property  
26 factor plus 8 1/3% of the payroll factor plus 83 1/3% of

1 the sales factor;

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

4 If, in any tax year ending on or after December 31, 1998 and  
5 before December 31, 2000, the denominator of the payroll,  
6 property, or sales factor is zero, the apportionment factor  
7 computed in paragraph (1) or (2) of this subsection for that  
8 year shall be divided by an amount equal to 100% minus the  
9 percentage weight given to each factor whose denominator is  
10 equal to zero.

11 (Source: P.A. 101-31, eff. 6-28-19; 101-585, eff. 8-26-19;  
12 102-40, eff. 6-25-21; 102-558, eff. 8-20-21.)

13 ARTICLE 90.

14 Section 90-5. The Illinois Income Tax Act is amended by  
15 changing Sections 218 and 227 as follows:

16 (35 ILCS 5/218)

17 Sec. 218. Credit for student-assistance contributions.

18 (a) For taxable years ending on or after December 31, 2009  
19 and on or before December 31, 2029 ~~2024~~, each taxpayer who,  
20 during the taxable year, makes a contribution (i) to a  
21 specified individual College Savings Pool Account under  
22 Section 16.5 of the State Treasurer Act or (ii) to the Illinois  
23 Prepaid Tuition Trust Fund in an amount matching a

1 contribution made in the same taxable year by an employee of  
2 the taxpayer to that Account or Fund is entitled to a credit  
3 against the tax imposed under subsections (a) and (b) of  
4 Section 201 in an amount equal to 25% of that matching  
5 contribution, but not to exceed \$500 per contributing employee  
6 per taxable year.

7 (b) For taxable years ending before December 31, 2023, for  
8 partners, shareholders of Subchapter S corporations, and  
9 owners of limited liability companies, if the liability  
10 company is treated as a partnership for purposes of federal  
11 and State income taxation, there is allowed a credit under  
12 this Section to be determined in accordance with the  
13 determination of income and distributive share of income under  
14 Sections 702 and 704 and Subchapter S of the Internal Revenue  
15 Code. For taxable years ending on or after December 31, 2023,  
16 partners and shareholders of subchapter S corporations are  
17 entitled to a credit under this Section as provided in Section  
18 251.

19 (c) The credit may not be carried back. If the amount of  
20 the credit exceeds the tax liability for the year, the excess  
21 may be carried forward and applied to the tax liability of the  
22 5 taxable years following the excess credit year. The tax  
23 credit shall be applied to the earliest year for which there is  
24 a tax liability. If there are credits for more than one year  
25 that are available to offset a liability, the earlier credit  
26 shall be applied first.

1 (d) A taxpayer claiming the credit under this Section must  
2 maintain and record any information that the Illinois Student  
3 Assistance Commission, the Office of the State Treasurer, or  
4 the Department may require regarding the matching contribution  
5 for which the credit is claimed.

6 (Source: P.A. 102-289, eff. 8-6-21; 103-396, eff. 1-1-24.)

7 (35 ILCS 5/227)

8 Sec. 227. Adoption credit.

9 (a) Beginning with tax years ending on or after December  
10 31, 2018 and ending with tax years ending on or before December  
11 31, 2029, in the case of an individual taxpayer there shall be  
12 allowed a credit against the tax imposed by subsections (a)  
13 and (b) of Section 201 in an amount equal to the amount of the  
14 federal adoption tax credit received pursuant to Section 23 of  
15 the Internal Revenue Code with respect to the adoption of a  
16 qualifying dependent child, subject to the limitations set  
17 forth in this subsection and subsection (b). The aggregate  
18 amount of qualified adoption expenses which may be taken into  
19 account under this Section for all taxable years with respect  
20 to the adoption of a qualifying dependent child by the  
21 taxpayer shall not exceed \$2,000 (\$1,000 in the case of a  
22 married individual filing a separate return). The credit under  
23 this Section shall be allowed: (i) in the case of any expense  
24 paid or incurred before the taxable year in which such  
25 adoption becomes final, for the taxable year following the

1 taxable year during which such expense is paid or incurred,  
2 and (ii) in the case of an expense paid or incurred during or  
3 after the taxable year in which such adoption becomes final,  
4 for the taxable year in which such expense is paid or incurred.  
5 No credit shall be allowed under this Section for any expense  
6 to the extent that funds for such expense are received under  
7 any federal, State, or local program. For purposes of this  
8 Section, spouses filing a joint return shall be considered one  
9 taxpayer.

10 For a non-resident or part-year resident, the amount of  
11 the credit under this Section shall be in proportion to the  
12 amount of income attributable to this State.

13 (b) Increased credit amount for resident children. With  
14 respect to the adoption of an eligible child who is at least  
15 one year old and resides in Illinois at the time the expenses  
16 are paid or incurred, subsection (a) shall be applied by  
17 substituting \$5,000 (\$2,500 in the case of a married  
18 individual filing a separate return) for \$2,000.

19 (c) In no event shall a credit under this Section reduce  
20 the taxpayer's liability to less than zero. If the amount of  
21 the credit exceeds the income tax liability for the applicable  
22 tax year, the excess may be carried forward and applied to the  
23 tax liability of the 5 taxable years following the excess  
24 credit year. The credit shall be applied to the earliest year  
25 for which there is a tax liability. If there are credits from  
26 more than one year that are available to offset a liability,

1 the earlier credit shall be applied first.

2 (d) The term "qualified adoption expenses" shall have the  
3 same meaning as under Section 23(d) of the Internal Revenue  
4 Code.

5 (Source: P.A. 100-587, eff. 6-4-18; 101-81, eff. 7-12-19.)

6 ARTICLE 93.

7 Section 93-1. Short title. This Act may be cited as the  
8 Ground-Based Sparkler Purchaser Excise Tax Act. References in  
9 this Article to "this Act" mean this Article.

10 Section 93-5. Definitions. As used in this Act:

11 "Affirmative act in furtherance of the evasion" means an  
12 act designed in whole or in part to (i) conceal, misrepresent,  
13 falsify, or manipulate any material fact or (ii) tamper with  
14 or destroy documents or materials related to a person's tax  
15 liability under this Act.

16 "Automated sales suppression device" or "zapper" means a  
17 software program that falsifies the electronic records of an  
18 electronic cash register or other point-of-sale system,  
19 including, but not limited to, transaction data and  
20 transaction reports. "Automated sales suppression device" or  
21 "zapper" includes the software program, any device that  
22 carries the software program, or an Internet link to the  
23 software program.

1 "Consumer distributor" means any person who distributes,  
2 offers for sale, sells, or exchanges for consideration  
3 consumer fireworks in this State to another distributor or  
4 directly to any retailer or person for resale.

5 "Consumer retailer" means any person who offers for sale,  
6 sells, or exchanges for consideration consumer fireworks in  
7 this State directly to any person with a consumer display  
8 permit.

9 "Department" means the Department of Revenue.

10 "Director" means the Director of Revenue.

11 "Electronic cash register" means a device that keeps a  
12 register or supporting documents through the use of an  
13 electronic device or computer system designed to record  
14 transaction data for the purpose of computing, compiling, or  
15 processing retail sales transaction data in any manner.

16 "Ground-based sparkler retailer" means any person that  
17 transfers the ownership of or title to ground-based sparklers  
18 to a purchaser, for the purpose of use, and not for the purpose  
19 of resale, for a valuable consideration.

20 "Ground-based sparkler" means any ground-based sparkler  
21 that (i) is nonexplosive and nonaerial, (ii) may produce a  
22 crackling or whistling effect, and (iii) contains 75 grams or  
23 less of pyrotechnic composition per tube or a total of 500  
24 grams or less for multiple tubes, such as cones, including  
25 showers of sparks, fountains, repeaters, and cakes.

26 "Person" means a natural individual, firm, partnership,

1 association, joint stock company, joint adventure, public or  
2 private corporation, limited liability company, or a receiver,  
3 executor, trustee, guardian, or other representative appointed  
4 by order of any court.

5 "Phantom-ware" means a hidden programming option embedded  
6 in the operating system of an electronic cash register or  
7 hardwired into an electronic cash register that can be used to  
8 create a second set of records or that can eliminate or  
9 manipulate transaction records in an electronic cash register.

10 "Purchase price" means the consideration paid for a  
11 purchase of ground-based sparklers, valued in money, whether  
12 received in money or otherwise, including cash, gift cards,  
13 credits, and property and shall be determined without any  
14 deduction on account of the cost of materials used, labor or  
15 service costs, or any other expense whatsoever. "Purchase  
16 price" does not include consideration paid for:

17 (1) any charge for a payment that is not honored by a  
18 financial institution;

19 (2) any finance or credit charge, penalty or charge  
20 for delayed payment, or discount for prompt payment; and

21 (3) any amounts added to a purchaser's bill because of  
22 charges made under the tax imposed by this Act, the  
23 Retailers' Occupation Tax Act, the Use Tax Act, the  
24 Service Occupation Tax Act, the Service Use Tax Act, or  
25 any locally imposed occupation or use tax.

26 "Purchaser" means a person who, through a sale at retail,



1 acquires ground-based sparklers for a valuable consideration.

2 "Taxpayer" means a ground-based sparkler retailer who is  
3 required to collect the tax imposed under this Act.

4 "Transaction data" includes: items purchased by a  
5 purchaser; the price of each item; a taxability determination  
6 for each item; a segregated tax amount for each taxed item; the  
7 amount of cash or credit tendered; the net amount returned to  
8 the customer in change; the date and time of the purchase; the  
9 name, address, and identification number of the vendor; and  
10 the receipt or invoice number of the transaction.

11 "Transaction report" means a report that documents,  
12 without limitation, the sales, taxes, or fees collected, media  
13 totals, and discount voids at an electronic cash register and  
14 that is printed on a cash register tape at the end of a day or  
15 shift, or a report that documents every action at an  
16 electronic cash register and is stored electronically.

17 Section 93-10. Tax imposed.

18 (a) Beginning January 1, 2025, a tax is imposed upon  
19 purchasers for the privilege of using ground-based sparklers  
20 and not for the purpose of resale at the rate of 3% of the  
21 purchase price of ground-based sparklers.

22 (b) The tax imposed under this Act shall be in addition to  
23 all other occupation, privilege, or excise taxes imposed by  
24 the State or by any municipal corporation or political  
25 subdivision thereof.

1           (c) The tax imposed under this Act shall not be imposed on  
2 any purchase by a purchaser if the ground-based sparkler  
3 retailer is prohibited by federal or State Constitution,  
4 treaty, convention, statute, or court decision from collecting  
5 the tax from the purchaser.

6           Section 93-15. Bundling of taxable and nontaxable items;  
7 prohibition; taxation. A ground-based sparkler retailer is  
8 prohibited from selling ground-based sparkler products in  
9 combination or bundled with any other items not subject to tax  
10 under this Act for one price, and each ground-based sparkler  
11 must be separately identified by quantity and price on the  
12 receipt.

13           If a ground-based sparkler retailer sells ground-based  
14 sparkler products in combination or bundled with items that  
15 are not subject to tax under this Act for one price in  
16 violation of the prohibition on this activity, then the tax  
17 under this Act is imposed on the purchase price of the entire  
18 bundled product.

19           Section 93-20. Collection of tax.

20           (a) The tax imposed by this Act shall be collected from the  
21 purchaser by the ground-based sparkler retailer at the rate  
22 stated in Section 93-10 with respect to ground-based sparklers  
23 sold by the ground-based sparkler retailer to the purchaser  
24 and shall be remitted to the Department as provided in Section

1 93-35. Ground-based sparkler retailers shall collect the tax  
2 from purchasers by adding the tax to the amount of the purchase  
3 price received from the purchaser for selling ground-based  
4 sparklers to the purchaser. The tax imposed by this Act shall,  
5 when collected, be stated as a distinct item separate and  
6 apart from the purchase price of the ground-based sparklers.

7 (b) If a ground-based sparkler retailer collects the  
8 ground-based sparkler purchaser excise tax measured by a  
9 purchase price that is not subject to the ground-based  
10 sparkler purchaser excise tax, or if a ground-based sparkler  
11 retailer, in collecting the ground-based sparkler purchaser  
12 excise tax measured by a purchase price that is subject to tax  
13 under this Act, collects more from the purchaser than the  
14 required amount of the ground-based sparkler purchaser excise  
15 tax on the transaction, the purchaser shall have a legal right  
16 to claim a refund of that amount from the ground-based  
17 sparkler retailer. If, however, that amount is not refunded to  
18 the purchaser for any reason, the ground-based sparkler  
19 retailer is liable to pay that amount to the Department.

20 (c) Any person purchasing ground-based sparklers subject  
21 to tax under this Act as to which there has been no charge made  
22 to them of the tax imposed by Section 93-10 shall make payment  
23 of the tax imposed by Section 93-10 in the form and manner  
24 provided by the Department not later than the 20th day of the  
25 month following the month of purchase of the ground-based  
26 sparklers.

1           Section 93-25. Registration of ground-based sparkler  
2 retailers. Every ground-based sparkler retailer required to  
3 collect the tax under this Act shall apply to the Department  
4 for a certificate of registration under this Act. All  
5 applications for registration under this Act shall be made by  
6 electronic means in the form and manner required by the  
7 Department. For that purpose, the provisions of Section 2a of  
8 the Retailers' Occupation Tax Act are incorporated into this  
9 Act to the extent not inconsistent with this Act. In addition,  
10 no certificate of registration shall be issued under this Act  
11 unless the applicant is licensed under the Retailers'  
12 Occupation Tax Act.

13           Section 93-30. Tax collected as debt owed to State. Any  
14 ground-based sparkler retailer required to collect the tax  
15 imposed by this Act shall be liable to the Department for the  
16 tax, whether the tax has been collected by the ground-based  
17 sparkler retailer, and any such tax shall constitute a debt  
18 owed by the ground-based sparkler retailer to the State. To  
19 the extent that a ground-based sparkler retailer is required  
20 to collect the tax imposed by this Act has actually collected  
21 that tax, the tax is held in trust for the benefit of the  
22 Department.

23           Section 93-35. Return and payment of tax by ground-based

1 sparkler retailer. Each ground-based sparkler retailer that is  
2 required or authorized to collect the tax imposed by this Act  
3 shall make a return to the Department, by electronic means, on  
4 or before the 20th day of each month for the preceding calendar  
5 month stating:

6 (1) the ground-based sparkler retailer's name;

7 (2) the address of the ground-based sparkler  
8 retailer's principal place of business and the address of  
9 the principal place of business, if that is a different  
10 address, from which the ground-based sparkler retailer is  
11 engaged in the business of selling ground-based sparklers  
12 subject to tax under this Act;

13 (3) the total purchase price received by the  
14 ground-based sparkler retailer for ground-based sparklers  
15 subject to tax under this Act;

16 (4) the amount of tax due at each rate;

17 (5) the signature of the ground-based sparkler  
18 retailer; and

19 (6) any other information as the Department may  
20 reasonably require.

21 All returns required to be filed and payments required to  
22 be made under this Act shall be by electronic means.  
23 Ground-based sparkler retailers who demonstrate hardship in  
24 paying electronically may petition the Department to waive the  
25 electronic payment requirement.

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

1 return or other document under this Act shall, if the amount is  
2 not a whole-dollar amount, be increased to the nearest  
3 whole-dollar amount if the fractional part of a dollar is  
4 \$0.50 or more and decreased to the nearest whole-dollar amount  
5 if the fractional part of a dollar is less than \$0.50. If a  
6 total amount of less than \$1 is payable, refundable, or  
7 creditable, the amount shall be disregarded if it is less than  
8 \$0.50 and shall be increased to \$1 if it is \$0.50 or more.

9 The ground-based sparkler retailer making the return under  
10 this Section shall also pay to the Department the amount of tax  
11 imposed by this Act, less a discount of 1.75% not to exceed  
12 \$1,000 per return period, which is allowed to reimburse the  
13 ground-based sparkler retailer for the expenses incurred in  
14 keeping records, collecting tax, preparing and filing returns,  
15 remitting the tax, and supplying data to the Department upon  
16 request. No discount may be claimed by a ground-based sparkler  
17 retailer on returns not timely filed and for taxes not timely  
18 remitted. No discount may be claimed by a taxpayer for any  
19 return that is not filed electronically. No discount may be  
20 claimed by a taxpayer for any payment that is not made  
21 electronically, unless a waiver has been granted under this  
22 Section.

23 Notwithstanding any other provision of this Act concerning  
24 the time within which a ground-based sparkler retailer may  
25 file a return, any such ground-based sparkler retailer who  
26 ceases to engage in the kind of business that makes the person

1 responsible for filing returns under this Act shall file a  
2 final return under this Act with the Department within one  
3 month after discontinuing the business.

4 If any payment provided for in this Section exceeds the  
5 taxpayer's liabilities under this Act, as shown on an original  
6 monthly return, the Department shall, if requested by the  
7 taxpayer, issue to the taxpayer a credit memorandum no later  
8 than 30 days after the date of payment. The credit evidenced by  
9 the credit memorandum may be assigned by the taxpayer to a  
10 similar taxpayer under this Act, in accordance with reasonable  
11 rules adopted by the Department. If no such request is made,  
12 the taxpayer may credit the excess payment against tax  
13 liability subsequently to be remitted to the Department under  
14 this Act, in accordance with reasonable rules adopted by the  
15 Department. If the Department subsequently determines that all  
16 or any part of the credit taken was not actually due to the  
17 taxpayer, the taxpayer's discount shall be reduced, if  
18 necessary, to reflect the difference between the credit taken  
19 and that actually due, and that taxpayer shall be liable for  
20 penalties and interest on the difference. If a ground-based  
21 sparkler retailer fails to sign a return within 30 days after  
22 the proper notice and demand for signature by the Department  
23 is received by the ground-based sparkler retailer, the return  
24 shall be considered valid and any amount shown to be due on the  
25 return shall be deemed assessed.

1           Section 93-40. Deposit of proceeds. From the revenue  
2 collected under Section 93-10, the Department shall pay 25%  
3 into the Firemen's Annuity and Benefit Fund, 25% into the  
4 Firefighters' Pension Investment Fund, and 50% into the  
5 General Revenue Fund.

6           Section 93-45. Record keeping; books and records.

7           (a) Every ground-based sparkler retailer, whether the  
8 ground-based sparkler retailer has obtained a certificate of  
9 registration under Section 93-25, shall keep complete and  
10 accurate records of ground-based sparklers held, purchased,  
11 sold, or otherwise disposed of, and shall preserve and keep  
12 all invoices, bills of lading, sales records, and copies of  
13 bills of sale, returns, and other pertinent papers and  
14 documents relating to the purchase, sale, or disposition of  
15 ground-based sparklers. Such records need not be maintained on  
16 the licensed premises but must be maintained in the State.  
17 However, all original invoices or copies thereof covering  
18 purchases of ground-based sparklers must be retained on the  
19 licensed premises for a period of 90 days after such purchase,  
20 unless the Department has granted a waiver in response to a  
21 written request in cases where records are kept at a central  
22 business location within the State. The Department shall adopt  
23 rules regarding the eligibility for a waiver, revocation of a  
24 waiver, and requirements and standards for maintenance and  
25 accessibility of records located at a central location under a



1 waiver provided under this Section.

2 (b) Books, records, papers, and documents that are  
3 required by this Act to be kept shall, at all times during the  
4 usual business hours of the day, be subject to inspection by  
5 the Department or its duly authorized agents and employees.  
6 The books, records, papers, and documents for any period with  
7 respect to which the Department is authorized to issue a  
8 notice of tax liability shall be preserved until the  
9 expiration of that period.

10 Section 93-50. Violations and penalties.

11 (a) If the amount due is under \$300, any ground-based  
12 sparkler retailer who fails to file a return, willfully fails  
13 or refuses to make any payment to the Department of the tax  
14 imposed by this Act, or files a fraudulent return, or any  
15 officer or agent of a corporation engaged in the business of  
16 selling ground-based sparklers to purchasers located in this  
17 State who signs a fraudulent return filed on behalf of the  
18 corporation, or any accountant or other agent who knowingly  
19 enters false information on the return of any taxpayer under  
20 this Act is guilty of a Class 4 felony.

21 (b) If the amount due is \$300 or more, any ground-based  
22 sparkler retailer who files, or causes to be filed, a  
23 fraudulent return, or any officer or agent of a corporation  
24 engaged in the business of selling ground-based sparklers to  
25 purchasers located in this State who files or causes to be

1 filed or signs or causes to be signed a fraudulent return filed  
2 on behalf of the corporation, or any accountant or other agent  
3 who knowingly enters false information on the return of any  
4 taxpayer under this Act is guilty of a Class 3 felony.

5 (c) Any person who violates any provision of Section  
6 93-30, fails to keep books and records as required under this  
7 Act, or willfully violates a rule of the Department for the  
8 administration and enforcement of this Act is guilty of a  
9 Class 4 felony. A person commits a separate offense on each day  
10 that the person engages in business in violation of Section  
11 93-30 or a rule of the Department for the administration and  
12 enforcement of this Act. If a person fails to produce the books  
13 and records for inspection by the Department upon request, a  
14 prima facie presumption shall arise that the person has failed  
15 to keep books and records as required under this Act. A person  
16 who is unable to rebut this presumption is in violation of this  
17 Act and is subject to the penalties provided in this Section.

18 (d) Any person who willfully violates a rule of the  
19 Department for the administration and enforcement of this  
20 Article, is guilty of a business offense and may be fined up to  
21 \$5,000.

22 (e) Any taxpayer or agent of a taxpayer who with the intent  
23 to defraud purports to make a payment due to the Department by  
24 issuing or delivering a check or other order upon a real or  
25 fictitious depository for the payment of money, knowing that  
26 it will not be paid by the depository, is guilty of a deceptive

1 practice in violation of Section 17-1 of the Criminal Code of  
2 2012.

3 (f) Any person who fails to keep books and records or fails  
4 to produce books and records for inspection, as required by  
5 Section 93-45, is liable to pay to the Department, for deposit  
6 in the Tax Compliance and Administration Fund, a penalty of  
7 \$1,000 for the first failure to keep books and records or  
8 failure to produce books and records for inspection, as  
9 required by Section 93-45, and \$3,000 for each subsequent  
10 failure to keep books and records or failure to produce books  
11 and records for inspection, as required by Section 93-45.

12 (g) Any person who knowingly acts as a ground-based  
13 sparkler retailer in this State without first having obtained  
14 a certificate of registration to do so in compliance with  
15 Section 93-30 shall be guilty of a Class 4 felony.

16 (h) A person commits the offense of tax evasion under this  
17 Act when a person knowingly attempts in any manner to evade or  
18 defeat the tax imposed on the person or on any other person, or  
19 the payment thereof, and a person commits an affirmative act  
20 in furtherance of the evasion.

21 Two or more acts of sales tax evasion may be charged as a  
22 single count in any indictment, information, or complaint and  
23 the amount of tax deficiency may be aggregated for purposes of  
24 determining the amount of tax that is attempted to be or is  
25 evaded and the period between the first and last acts may be  
26 alleged as the date of the offense.

1           (1) If the amount of tax, the assessment or payment of  
2           which is attempted to be or is evaded is less than \$500, a  
3           person is guilty of a Class 4 felony.

4           (2) If the amount of tax, the assessment or payment of  
5           which is attempted to be or is evaded is \$500 or more but  
6           less than \$10,000, a person is guilty of a Class 3 felony.

7           (3) If the amount of tax, the assessment or payment of  
8           which is attempted to be or is evaded is \$10,000 or more  
9           but less than \$100,000, a person is guilty of a Class 2  
10          felony.

11          (4) If the amount of tax, the assessment or payment of  
12          which is attempted to be or is evaded is \$100,000 or more,  
13          a person is guilty of a Class 1 felony.

14          Any person who knowingly sells, purchases, installs,  
15          transfers, possesses, uses, or accesses any automated sales  
16          suppression device, zapper, or phantom-ware in this State is  
17          guilty of a Class 3 felony.

18          A prosecution for any act in violation of this Section may  
19          be commenced at any time within 5 years of the commission of  
20          that act.

21          (i) The Department may adopt rules to administer the  
22          penalties under this Section.

23          (j) Any person whose principal place of business is in  
24          this State and who is charged with a violation under this  
25          Section shall be tried in the county where the person's  
26          principal place of business is located unless the person

1 asserts a right to be tried in another venue.

2 (k) Except as otherwise provided in subsection (h), a  
3 prosecution for a violation described in this Section may be  
4 commenced within 3 years after the commission of the act  
5 constituting the violation.

6 Section 93-55. Department administration and enforcement.  
7 The Department shall have full power to administer and enforce  
8 this Act, to collect all taxes and penalties due hereunder, to  
9 dispose of taxes and penalties so collected in the manner  
10 hereinafter provided, and to determine all rights to credit  
11 memoranda, arising on account of the erroneous payment of tax  
12 or penalty hereunder.

13 In the administration of, and compliance with, this Act,  
14 the Department and persons who are subject to this Act shall  
15 have the same rights, remedies, privileges, immunities,  
16 powers, and duties, and be subject to the same conditions,  
17 restrictions, limitations, penalties, and definitions of  
18 terms, and employ the same modes of procedure, as are  
19 prescribed in Sections 2, 3-55, 3a, 4, 5, 7, 10a, 11, 12a, 12b,  
20 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Sections 1,  
21 2-12, 2b, 4 (except that the time limitation provisions shall  
22 run from the date when the tax is due rather than from the date  
23 when gross receipts are received), 5 (except that the time  
24 limitation provisions on the issuance of notices of tax  
25 liability shall run from the date when the tax is due rather

1 than from the date when gross receipts are received and except  
2 that in the case of a failure to file a return required by this  
3 Act, no notice of tax liability shall be issued on and after  
4 each July 1 and January 1 covering tax due with that return  
5 during any month or period more than 6 years before that July 1  
6 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i,  
7 5j, 6d, 7, 8, 9, 10, 11, and 12 of the Retailers' Occupation  
8 Tax Act and all of the provisions of the Uniform Penalty and  
9 Interest Act, which are not inconsistent with this Act, as  
10 fully as if those provisions were set forth herein. References  
11 in the incorporated Sections of the Retailers' Occupation Tax  
12 Act and the Use Tax Act to retailers, to sellers, or to persons  
13 engaged in the business of selling tangible personal property  
14 mean ground-based sparkler retailers when used in this Act.  
15 References in the incorporated Sections to sales of tangible  
16 personal property mean sales of ground-based sparklers subject  
17 to tax under this Act when used in this Act.

18 Section 93-60. Arrest; search and seizure without warrant.  
19 Any duly authorized employee of the Department (i) may arrest,  
20 without warrant, any person committing in their presence a  
21 violation of any of the provisions of this Act, (ii) may,  
22 without a search warrant, inspect all ground-based sparklers  
23 located in any place of the business, and (iii) may seize any  
24 ground-based sparklers in the possession of the ground-based  
25 sparkler retailer in violation of this Act. The ground-based

1 sparklers so seized are subject to confiscation and forfeiture  
2 as provided in Sections 93-65 and 93-70.

3 Section 93-65. Seizure and forfeiture. After seizing any  
4 ground-based sparklers as provided in Section 93-60, the  
5 Department must hold a hearing and determine whether (i) the  
6 ground-based sparkler retailer was properly registered to sell  
7 the ground-based sparklers, (ii) the ground-based sparkler  
8 retailer possessed the ground-based sparklers in violation of  
9 this Act, or (iii) the ground-based sparkler retailer  
10 possessed the ground-based sparklers in violation of any  
11 reasonable rule adopted by the Department for the enforcement  
12 of this Act at the time of its seizure by the Department. The  
13 Department shall give not less than 20 days' notice of the time  
14 and place of the hearing to the owner of the ground-based  
15 sparklers, if the owner is known, and also to the person in  
16 whose possession the ground-based sparklers were found, if  
17 that person is known and if the person in possession is not the  
18 owner of the ground-based sparklers. If neither the owner nor  
19 the person in possession of the ground-based sparklers is  
20 known, the Department must cause publication of the time and  
21 place of the hearing to be made at least once in each week for  
22 3 weeks successively in a newspaper of general circulation in  
23 the county where the hearing is to be held.

24 If, as the result of the hearing, the Department makes any  
25 of the findings listed in (i) through (iii) above, the

1 Department must enter an order declaring the ground-based  
2 sparklers confiscated and forfeited to the State, to be held  
3 by the Department for disposal by it as provided in Section  
4 93-70. The Department must give notice of the order to the  
5 owner of the ground-based sparklers, if the owner is known,  
6 and also to the person in whose possession the ground-based  
7 sparklers were found, if that person is known and if the person  
8 in possession is not the owner of the ground-based sparklers.  
9 If neither the owner nor the person in possession of the  
10 ground-based sparklers is known, the Department must cause  
11 publication of the order to be made at least once in each week  
12 for 3 weeks successively in a newspaper of general circulation  
13 in the county where the hearing was held.

14 Section 93-70. Search warrant; issuance and return;  
15 process; confiscation of ground-based sparklers; forfeitures.

16 (a) If a peace officer of this State or any duly authorized  
17 officer or employee of the Department has reason to believe  
18 that any violation of this Act or a rule of the Department for  
19 the administration and enforcement of this Act has occurred  
20 and that the person violating this Act or rule has in that  
21 person's possession any ground-based sparklers in violation of  
22 this Act or a rule of the Department for the administration and  
23 enforcement of this Act, that peace officer or officer or  
24 employee of the Department may file or cause to be filed a  
25 complaint in writing, verified by affidavit, with any court



1 within whose jurisdiction the premises to be searched are  
2 situated, stating the facts upon which the belief is founded,  
3 the premises to be searched, and the property to be seized, and  
4 procure a search warrant and execute that warrant. Upon the  
5 execution of the search warrant, the peace officer, or officer  
6 or employee of the Department, executing the search warrant  
7 shall make due return of the warrant to the court issuing the  
8 warrant, together with an inventory of the property taken  
9 under the warrant. The court must then issue process against  
10 the owner of the property if the owner is known; otherwise,  
11 process must be issued against the person in whose possession  
12 the property is found, if that person is known. In case of  
13 inability to serve process upon the owner or the person in  
14 possession of the property at the time of its seizure, notice  
15 of the proceedings before the court must be given in the same  
16 manner as required by the law governing cases of attachment.  
17 Upon the return of the process duly served or upon the posting  
18 or publishing of notice made, as appropriate, the court or  
19 jury, if a jury is demanded, shall proceed to determine  
20 whether the property so seized was held or possessed in  
21 violation of this Act or a rule of the Department for the  
22 administration and enforcement of this Act. If a violation is  
23 found, judgment shall be entered confiscating the property and  
24 forfeiting it to the State and ordering its delivery to the  
25 Department. In addition, the court may tax and assess the  
26 costs of the proceedings.

1 (b) If any ground-based sparklers have been declared  
2 forfeited to the State by the Department and all proceedings  
3 for the judicial review of the Department's decision have  
4 terminated, the Department shall, to the extent that its  
5 decision is sustained on review, destroy such ground-based  
6 sparklers.

7 Section 93-75. Rulemaking. The Department may adopt rules  
8 in accordance with the Illinois Administrative Procedure Act  
9 and prescribe forms relating to the administration and  
10 enforcement of this Act as it deems appropriate.

11 Section 93-900. The Fireworks Regulation Act of Illinois  
12 is amended by changing Sections 2, 3.5, and 24 and by adding  
13 Section 3.6 as follows:

14 (425 ILCS 30/2) (from Ch. 127 1/2, par. 102)

15 Sec. 2. The following words and phrases, when used in this  
16 Act, shall for the purpose of this Act have the following  
17 definition and meaning:

18 (a) The term "fireworks" shall mean and include any  
19 explosive composition or any substance or combination of  
20 substances, or article prepared for the purpose of producing a  
21 visible or audible effect of a temporary exhibitional nature  
22 by explosion, combustion, deflagration, or detonation, and  
23 shall include blank cartridges, toy cannons in which

1 explosives are used, the type of balloons which require fire  
2 underneath to propel the same, firecrackers, torpedoes, sky  
3 rockets, Roman candles, bombs or other fireworks of like  
4 construction, and any fireworks containing any explosive  
5 compound; or any tablets or other device containing any  
6 explosive substance, or containing combustible substances  
7 producing visual effects. The term "fireworks" shall not  
8 include snake or glow worm pellets; smoke devices; sparklers;  
9 ground-based sparklers that (i) are nonexplosive and  
10 nonaerial, (ii) may produce a crackling or whistling effect,  
11 and (iii) contain 75 grams or less of pyrotechnic composition  
12 per tube or a total of 500 grams or less for multiple tubes,  
13 such as cones, including showers of sparks, fountains,  
14 repeaters, and cakes; trick noisemakers known as "party  
15 poppers", "booby traps", "snappers", "trick matches",  
16 "cigarette loads", and "auto burglar alarms"; toy pistols, toy  
17 canes, toy guns, or other devices in which paper or plastic  
18 caps containing twenty-five hundredths grains or less of  
19 explosive compound are used, provided they are so constructed  
20 that the hand cannot come in contact with the cap when in place  
21 for the explosion; and toy pistol paper or plastic caps which  
22 contain less than twenty-five hundredths grains of explosive  
23 mixture; the sale and use of which shall be permitted at all  
24 times.

25 (b) The term "fireworks plant" shall mean and include all  
26 lands, with buildings thereon, used in connection with the

1 manufacture or processing of fireworks, as well as storehouses  
2 located thereon for the storage of finished fireworks.

3 (c) The term "fireworks factory building" shall mean any  
4 building or other structure in which the manufacture of  
5 fireworks, or in which any processing involving fireworks is  
6 carried on.

7 (d) The term "magazine" shall mean any building or other  
8 structure used for the storage of explosive raw materials used  
9 in the manufacture of fireworks.

10 (e) The term "Office" shall mean the Office of the State  
11 Fire Marshal.

12 (Source: P.A. 83-474.)

13 (425 ILCS 30/3.5)

14 Sec. 3.5. Sale and use prohibited on public property. A  
15 municipality may, by ordinance, prohibit the sale and use of  
16 sparklers or ground-based sparklers on public property.

17 (Source: P.A. 92-93, eff. 1-1-02.)

18 (425 ILCS 30/3.6 new)

19 Sec. 3.6. Sale of ground-based sparklers. No ground-based  
20 sparkler that (i) is nonexplosive and nonaerial, (ii) may  
21 produce a crackling or whistling effect, and (iii) contains 75  
22 grams or less of pyrotechnic composition per tube or a total of  
23 500 grams or less for multiple tubes, such as cones, including  
24 showers of sparks, fountains, repeaters, and cakes, may be

1 sold to a person under the age of 18 years.

2 (425 ILCS 30/24) (from Ch. 127 1/2, par. 124)

3 Sec. 24. The provisions of this Act shall not be construed  
4 or held to abrogate or in any way affect the power of cities,  
5 villages, and incorporated towns to regulate, restrain, and  
6 prohibit the use of fireworks, firecrackers, torpedoes, Roman  
7 candles, skyrockets, ground-based sparklers, and other  
8 pyrotechnic displays within their corporate limits. The  
9 sections of this Act and every part of such sections are hereby  
10 declared to be independent sections and parts of sections, and  
11 the invalidity of any section or part thereof shall not affect  
12 any other section or part of a section.

13 (Source: Laws 1935, p. 881.)

14 Section 93-905. The Pyrotechnic Use Act is amended by  
15 changing Section 1 and by adding Section 3.5 as follows:

16 (425 ILCS 35/1) (from Ch. 127 1/2, par. 127)

17 Sec. 1. Definitions. As used in this Act, the following  
18 words shall have the following meanings:

19 "1.3G fireworks" means those fireworks used for  
20 professional outdoor displays and classified as fireworks  
21 UN0333, UN0334, or UN0335 by the United States Department of  
22 Transportation under 49 C.F.R. 172.101.

23 "Consumer distributor" means any person who distributes,

1 offers for sale, sells, or exchanges for consideration  
2 consumer fireworks in Illinois to another distributor or  
3 directly to any retailer or person for resale.

4 "Consumer fireworks" means those fireworks that must  
5 comply with the construction, chemical composition, and  
6 labeling regulations of the U.S. Consumer Products Safety  
7 Commission, as set forth in 16 C.F.R. Parts 1500 and 1507, and  
8 classified as fireworks UN0336 or UN0337 by the United States  
9 Department of Transportation under 49 C.F.R. 172.101.

10 "Consumer fireworks" shall not include snake or glow worm  
11 pellets; smoke devices; trick noisemakers known as "party  
12 poppers", "booby traps", "snappers", "trick matches",  
13 "cigarette loads", and "auto burglar alarms"; sparklers;  
14 ground-based sparklers that (i) are nonexplosive and  
15 nonaerial, (ii) may produce a crackling or whistling effect,  
16 and (iii) contain 75 grams or less of pyrotechnic composition  
17 per tube or a total of 500 grams or less for multiple tubes,  
18 such as cones, including showers of sparks, fountains,  
19 repeaters, and cakes; toy pistols, toy canes, toy guns, or  
20 other devices in which paper or plastic caps containing  
21 twenty-five hundredths grains or less of explosive compound  
22 are used, provided they are so constructed that the hand  
23 cannot come in contact with the cap when in place for the  
24 explosion; and toy pistol paper or plastic caps that contain  
25 less than twenty hundredths grains of explosive mixture; the  
26 sale and use of which shall be permitted at all times.

1 "Consumer fireworks display" or "consumer display" means  
2 the detonation, ignition, or deflagration of consumer  
3 fireworks to produce a visual or audible effect.

4 "Consumer operator" means an adult individual who is  
5 responsible for the safety, setup, and discharge of the  
6 consumer fireworks display and who has completed the training  
7 required in Section 2.2 of this Act.

8 "Consumer retailer" means any person who offers for sale,  
9 sells, or exchanges for consideration consumer fireworks in  
10 Illinois directly to any person with a consumer display  
11 permit.

12 "Display fireworks" means 1.3G or special effects  
13 fireworks or as further defined in the Pyrotechnic Distributor  
14 and Operator Licensing Act.

15 "Flame effect" means the detonation, ignition, or  
16 deflagration of flammable gases, liquids, or special materials  
17 to produce a thermal, physical, visual, or audible effect  
18 before the public, invitees, or licensees, regardless of  
19 whether admission is charged, in accordance with National Fire  
20 Protection Association 160 guidelines, and as may be further  
21 defined in the Pyrotechnic Distributor and Operator Licensing  
22 Act.

23 "Lead pyrotechnic operator" means an individual who is  
24 responsible for the safety, setup, and discharge of the  
25 pyrotechnic display or pyrotechnic service and who is licensed  
26 pursuant to the Pyrotechnic Distributor and Operator Licensing

1 Act.

2 "Person" means an individual, firm, corporation,  
3 association, partnership, company, consortium, joint venture,  
4 commercial entity, state, municipality, or political  
5 subdivision of a state or any agency, department, or  
6 instrumentality of the United States and any officer, agent,  
7 or employee of these entities.

8 "Production company" means any person in the film, digital  
9 and video media, television, commercial, music, or theatrical  
10 stage industry who provides pyrotechnic services or  
11 pyrotechnic display services as part of a film, digital and  
12 video media, television, commercial, music, or theatrical  
13 production in the State of Illinois and is licensed by the  
14 Office pursuant to the Pyrotechnic Distributor and Operator  
15 Licensing Act.

16 "Pyrotechnic display" means the detonation, ignition, or  
17 deflagration of display fireworks or flame effects to produce  
18 visual or audible effects of an exhibitional nature before the  
19 public, invitees, or licensees, regardless of whether  
20 admission is charged, and as may be further defined in the  
21 Pyrotechnic Distributor and Operator Licensing Act.

22 "Pyrotechnic distributor" means any person who distributes  
23 display fireworks for sale in the State of Illinois or  
24 provides them as part of a pyrotechnic display service in the  
25 State of Illinois or provides only pyrotechnic services and is  
26 licensed by the Office pursuant to the Pyrotechnic Distributor



1 and Operator Licensing Act.

2 "Pyrotechnic service" means the detonation, ignition, or  
3 deflagration of display fireworks, special effects, or flame  
4 effects to produce a visual or audible effect.

5 "Special effects fireworks" means pyrotechnic devices used  
6 for special effects by professionals in the performing arts in  
7 conjunction with theatrical, musical, or other productions  
8 that are similar to consumer fireworks in chemical  
9 compositions and construction, but are not intended for  
10 consumer use and are not labeled as such or identified as  
11 "intended for indoor use". "Special effects fireworks" are  
12 classified as fireworks UN0431 or UN0432 by the United States  
13 Department of Transportation under 49 C.F.R. 172.101.  
14 (Source: P.A. 99-642, eff. 7-28-16.)

15 (425 ILCS 35/3.5 new)

16 Sec. 3.5. Sale of ground-based sparklers. No ground-based  
17 sparkler that (i) is nonexplosive and nonaerial, (ii) may  
18 produce a crackling or whistling effect, and (iii) contains 75  
19 grams or less of pyrotechnic composition per tube or a total of  
20 500 grams or less for multiple tubes, such as cones, including  
21 showers of sparks, fountains, repeaters, and cakes, may be  
22 sold to a person under the age of 18 years.

23

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): 7

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.

7 For the ~~provided that, for~~ purposes of determining the  
8 taxable years to which a net loss may be carried under  
9 subsection (a) of this Section, no taxable year for which a  
10 deduction is disallowed under this subsection, or for which  
11 the deduction would exceed \$100,000 or \$500,000, as  
12 applicable, if not for this subsection, shall be counted.

13 (e) In the case of a residual interest holder in a real  
14 estate mortgage investment conduit subject to Section 860E of  
15 the Internal Revenue Code, the net loss in subsection (a)  
16 shall be equal to:

17 (1) the amount computed under subsection (a), without  
18 regard to this subsection (e), or if that amount is  
19 positive, zero;

20 (2) minus an amount equal to the amount computed under  
21 subsection (a), without regard to this subsection (e),  
22 minus the amount that would be computed under subsection  
23 (a) if the taxpayer's federal taxable income were computed  
24 without regard to Section 860E of the Internal Revenue  
25 Code and without regard to this subsection (e).

26 The modification in this subsection (e) is exempt from the



1 provisions of Section 250.

2 (Source: P.A. 102-16, eff. 6-17-21; 102-669, eff. 11-16-21.)

3 ARTICLE 110.

4 Section 110-5. The Use Tax Act is amended by changing  
5 Section 9 as follows:

6 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

7 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
8 and trailers that are required to be registered with an agency  
9 of this State, each retailer required or authorized to collect  
10 the tax imposed by this Act shall pay to the Department the  
11 amount of such tax (except as otherwise provided) at the time  
12 when he is required to file his return for the period during  
13 which such tax was collected, less a discount of 2.1% prior to  
14 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
15 per calendar year, whichever is greater, which is allowed to  
16 reimburse the retailer for expenses incurred in collecting the  
17 tax, keeping records, preparing and filing returns, remitting  
18 the tax and supplying data to the Department on request.  
19 Beginning with returns due on or after January 1, 2025, the  
20 discount allowed in this Section, the Retailers' Occupation  
21 Tax Act, the Service Occupation Tax Act, and the Service Use  
22 Tax Act, including any local tax administered by the  
23 Department and reported on the same return, shall not exceed

1 \$1,000 per month in the aggregate for returns other than  
2 transaction returns filed during the month. When determining  
3 the discount allowed under this Section, retailers shall  
4 include the amount of tax that would have been due at the 6.25%  
5 rate but for the 1.25% rate imposed on sales tax holiday items  
6 under Public Act 102-700. The discount under this Section is  
7 not allowed for the 1.25% portion of taxes paid on aviation  
8 fuel that is subject to the revenue use requirements of 49  
9 U.S.C. 47107(b) and 49 U.S.C. 47133. When determining the  
10 discount allowed under this Section, retailers shall include  
11 the amount of tax that would have been due at the 1% rate but  
12 for the 0% rate imposed under Public Act 102-700. In the case  
13 of retailers who report and pay the tax on a transaction by  
14 transaction basis, as provided in this Section, such discount  
15 shall be taken with each such tax remittance instead of when  
16 such retailer files his periodic return, but, beginning with  
17 returns due on or after January 1, 2025, the discount allowed  
18 under this Section and the Retailers' Occupation Tax Act,  
19 including any local tax administered by the Department and  
20 reported on the same transaction return, shall not exceed  
21 \$1,000 per month for all transaction returns filed during the  
22 month. The discount allowed under this Section is allowed only  
23 for returns that are filed in the manner required by this Act.  
24 The Department may disallow the discount for retailers whose  
25 certificate of registration is revoked at the time the return  
26 is filed, but only if the Department's decision to revoke the

1 certificate of registration has become final. A retailer need  
2 not remit that part of any tax collected by him to the extent  
3 that he is required to remit and does remit the tax imposed by  
4 the Retailers' Occupation Tax Act, with respect to the sale of  
5 the same property.

6 Where such tangible personal property is sold under a  
7 conditional sales contract, or under any other form of sale  
8 wherein the payment of the principal sum, or a part thereof, is  
9 extended beyond the close of the period for which the return is  
10 filed, the retailer, in collecting the tax (except as to motor  
11 vehicles, watercraft, aircraft, and trailers that are required  
12 to be registered with an agency of this State), may collect 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 Except as provided in this Section, on or before the  
17 twentieth day of each calendar month, such retailer shall file  
18 a return for the preceding calendar month. Such return shall  
19 be filed on forms prescribed by the Department and shall  
20 furnish such information as the Department may reasonably  
21 require. The return shall include the gross receipts on food  
22 for human consumption that is to be consumed off the premises  
23 where it is sold (other than alcoholic beverages, food  
24 consisting of or infused with adult use cannabis, soft drinks,  
25 and food that has been prepared for immediate consumption)  
26 which were received during the preceding calendar month,

1 quarter, or year, as appropriate, and upon which tax would  
2 have been due but for the 0% rate imposed under Public Act  
3 102-700. The return shall also include the amount of tax that  
4 would have been due 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) but for the 0% rate imposed under  
9 Public Act 102-700.

10 On and after January 1, 2018, except for returns required  
11 to be filed prior to January 1, 2023 for motor vehicles,  
12 watercraft, aircraft, and trailers that are required to be  
13 registered with an agency of this State, with respect to  
14 retailers whose annual gross receipts average \$20,000 or more,  
15 all returns required to be filed pursuant to this Act shall be  
16 filed electronically. On and after January 1, 2023, with  
17 respect to retailers whose annual gross receipts average  
18 \$20,000 or more, all returns required to be filed pursuant to  
19 this Act, including, but not limited to, returns for motor  
20 vehicles, watercraft, aircraft, and trailers that are required  
21 to be registered with an agency of this State, shall be filed  
22 electronically. Retailers who demonstrate that they do not  
23 have access to the Internet or demonstrate hardship in filing  
24 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 the business of selling tangible  
10 personal property at retail in this State;

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

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

18 5. The amount of tax due;

19 5-5. The signature of the taxpayer; and

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

22 Each retailer required or authorized to collect the tax  
23 imposed by this Act on aviation fuel sold at retail in this  
24 State during the preceding calendar month shall, instead of  
25 reporting and paying tax on aviation fuel as otherwise  
26 required by this Section, report and pay such tax on a separate

1 aviation fuel tax return. The requirements related to the  
2 return shall be as otherwise provided in this Section.  
3 Notwithstanding any other provisions of this Act to the  
4 contrary, retailers collecting tax on aviation fuel shall file  
5 all aviation fuel tax returns and shall make all aviation fuel  
6 tax payments by electronic means in the manner and form  
7 required by the Department. For purposes of this Section,  
8 "aviation fuel" means jet fuel and 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, retailers 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 Beginning October 1, 1993, a taxpayer who has an average  
19 monthly tax liability of \$150,000 or more shall make all  
20 payments required by rules of the Department by electronic  
21 funds transfer. Beginning October 1, 1994, a taxpayer who has  
22 an average monthly tax liability of \$100,000 or more shall  
23 make all payments required by rules of the Department by  
24 electronic funds transfer. Beginning October 1, 1995, a  
25 taxpayer who has an average monthly tax liability of \$50,000  
26 or more shall make all payments required by rules of the

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

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

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

25 All taxpayers required to make payment by electronic funds  
26 transfer and any taxpayers authorized to voluntarily make

1 payments by electronic funds transfer shall make those  
2 payments in the manner authorized by the Department.

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

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



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

1 month of the preceding year or 100% of the taxpayer's actual  
2 liability for the quarter monthly reporting period. The amount  
3 of such quarter monthly payments shall be credited against the  
4 final tax liability of the taxpayer's return for that month.  
5 Before 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 \$9,000, 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 \$10,000. 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 \$10,000  
18 threshold stated above, then such taxpayer may petition the  
19 Department for change in such taxpayer's reporting status. On  
20 and after October 1, 2000, once applicable, the requirement of  
21 the making of quarter monthly payments to the Department shall  
22 continue until such taxpayer's average monthly liability to  
23 the Department during the preceding 4 complete calendar  
24 quarters (excluding the month of highest liability and the  
25 month of lowest liability) is less than \$19,000 or until such  
26 taxpayer's average monthly liability to the Department as

1 computed for each calendar quarter of the 4 preceding complete  
2 calendar quarter period is less than \$20,000. However, if a  
3 taxpayer can show the Department that a substantial change in  
4 the taxpayer's business has occurred which causes the taxpayer  
5 to anticipate that his average monthly tax liability for the  
6 reasonably foreseeable future will fall below the \$20,000  
7 threshold stated above, then such taxpayer may petition the  
8 Department for a change in such taxpayer's reporting status.  
9 The Department shall change such taxpayer's reporting status  
10 unless it finds that such change is seasonal in nature and not  
11 likely to be long term. Quarter monthly payment status shall  
12 be determined under this paragraph as if the rate reduction to  
13 1.25% in Public Act 102-700 on sales tax holiday items had not  
14 occurred. For quarter monthly payments due on or after July 1,  
15 2023 and through June 30, 2024, "25% of the taxpayer's  
16 liability for the same calendar month of the preceding year"  
17 shall be determined as if the rate reduction to 1.25% in Public  
18 Act 102-700 on sales tax holiday items had not occurred.  
19 Quarter monthly payment status shall be determined under this  
20 paragraph as if the rate reduction to 0% in Public Act 102-700  
21 on food for human consumption that is to be consumed off the  
22 premises where it is sold (other than alcoholic beverages,  
23 food consisting of or infused with adult use cannabis, soft  
24 drinks, and food that has been prepared for immediate  
25 consumption) had not occurred. For quarter monthly payments  
26 due under this paragraph on or after July 1, 2023 and through

1 June 30, 2024, "25% of the taxpayer's liability for the same  
2 calendar month of the preceding year" shall be determined as  
3 if the rate reduction to 0% in Public Act 102-700 had not  
4 occurred. If any such quarter monthly payment is not paid at  
5 the time or in the amount required by this Section, then the  
6 taxpayer shall be liable for penalties and interest on the  
7 difference between the minimum amount due and the amount of  
8 such quarter monthly payment actually and timely paid, except  
9 insofar as the taxpayer has previously made payments for that  
10 month to the Department in excess of the minimum payments  
11 previously due as provided in this Section. The Department  
12 shall make reasonable rules and regulations to govern the  
13 quarter monthly payment amount and quarter monthly payment  
14 dates for taxpayers who file on other than a calendar monthly  
15 basis.

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

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

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 to 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 In addition, with respect to motor vehicles, watercraft,  
20 aircraft, and trailers that are required to be registered with  
21 an agency of this State, except as otherwise provided in this  
22 Section, every retailer selling this kind of tangible personal  
23 property shall file, with the Department, upon a form to be  
24 prescribed and supplied by the Department, a separate return  
25 for each such item of tangible personal property which the  
26 retailer sells, except that if, in the same transaction, (i) a

1 retailer of aircraft, watercraft, motor vehicles or trailers  
2 transfers more than one aircraft, watercraft, motor vehicle or  
3 trailer to another aircraft, watercraft, motor vehicle or  
4 trailer retailer for the purpose of resale or (ii) a retailer  
5 of aircraft, watercraft, motor vehicles, or trailers transfers  
6 more than one aircraft, watercraft, motor vehicle, or trailer  
7 to a purchaser for use as a qualifying rolling stock as  
8 provided in Section 3-55 of this Act, then that seller may  
9 report the transfer of all the aircraft, watercraft, motor  
10 vehicles or trailers involved in that transaction to the  
11 Department on the same uniform invoice-transaction reporting  
12 return form. For purposes of this Section, "watercraft" means  
13 a Class 2, Class 3, or Class 4 watercraft as defined in Section  
14 3-2 of the Boat Registration and Safety Act, a personal  
15 watercraft, or any boat equipped with an inboard motor.

16 In addition, with respect to motor vehicles, watercraft,  
17 aircraft, and trailers that are required to be registered with  
18 an agency of this State, every person who is engaged in the  
19 business of leasing or renting such items and who, in  
20 connection with such business, sells any such item to a  
21 retailer for the purpose of resale is, notwithstanding any  
22 other provision of this Section to the contrary, authorized to  
23 meet the return-filing requirement of this Act by reporting  
24 the transfer of all the aircraft, watercraft, motor vehicles,  
25 or trailers transferred for resale during a month to the  
26 Department on the same uniform invoice-transaction reporting

1 return form on or before the 20th of the month following the  
2 month in which the transfer takes place. Notwithstanding any  
3 other provision of this Act to the contrary, all returns filed  
4 under this paragraph must be filed by electronic means in the  
5 manner and form as required by the Department.

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



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

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

1 if the Department and such agency or State officer determine  
2 that this procedure will expedite the processing of  
3 applications for title or registration.

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

17 No retailer's failure or refusal to remit tax under this  
18 Act precludes a user, who has paid the proper tax to the  
19 retailer, from obtaining his certificate of title or other  
20 evidence of title or registration (if titling or registration  
21 is required) upon satisfying the Department that such user has  
22 paid the proper tax (if tax is due) to the retailer. The  
23 Department shall adopt appropriate rules to carry out the  
24 mandate of this paragraph.

25 If the user who would otherwise pay tax to the retailer  
26 wants the transaction reporting return filed and the payment

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

18 Where a retailer collects the tax with respect to the  
19 selling price of tangible personal property which he sells and  
20 the purchaser thereafter returns such tangible personal  
21 property and the retailer refunds the selling price thereof to  
22 the purchaser, such retailer shall also refund, to the  
23 purchaser, the tax so collected from the purchaser. When  
24 filing his return for the period in which he refunds such tax  
25 to the purchaser, the retailer may deduct the amount of the tax  
26 so refunded by him to the purchaser from any other use tax

1 which such retailer may be required to pay or remit to the  
2 Department, as shown by such return, if the amount of the tax  
3 to be deducted was previously remitted to the Department by  
4 such retailer. If the retailer has not previously remitted the  
5 amount of such tax to the Department, he is entitled to no  
6 deduction under this Act upon refunding such tax to the  
7 purchaser.

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

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

22 Where the retailer has more than one business registered  
23 with the Department under separate registration under this  
24 Act, such retailer may not file each return that is due as a  
25 single return covering all such registered businesses, but  
26 shall file separate returns for each such registered business.

1           Beginning January 1, 1990, each month the Department shall  
2 pay into the State and Local Sales Tax Reform Fund, a special  
3 fund in the State Treasury which is hereby created, the net  
4 revenue realized for the preceding month from the 1% tax  
5 imposed under this Act.

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

13           Beginning January 1, 1990, each month the Department shall  
14 pay into the State and Local Sales Tax Reform Fund, a special  
15 fund in the State Treasury, 20% of the net revenue realized for  
16 the preceding month from the 6.25% general rate on the selling  
17 price of tangible personal property, other than (i) tangible  
18 personal property which is purchased outside Illinois at  
19 retail from a retailer and which is titled or registered by an  
20 agency of this State's government and (ii) aviation fuel sold  
21 on or after December 1, 2019. This exception for aviation fuel  
22 only applies for so long as the revenue use requirements of 49  
23 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

24           For aviation fuel sold on or after December 1, 2019, each  
25 month the Department shall pay into the State Aviation Program  
26 Fund 20% of the net revenue realized for the preceding month

1 from the 6.25% general rate on the selling price of aviation  
2 fuel, less an amount estimated by the Department to be  
3 required for refunds of the 20% portion of the tax on aviation  
4 fuel under this Act, which amount shall be deposited into the  
5 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
6 pay moneys into the State Aviation Program Fund and the  
7 Aviation Fuels Sales Tax Refund Fund under this Act for so long  
8 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
9 U.S.C. 47133 are binding on the State.

10 Beginning August 1, 2000, each month the Department shall  
11 pay into the State and Local Sales Tax Reform Fund 100% of the  
12 net revenue realized for the preceding month from the 1.25%  
13 rate on the selling price of motor fuel and gasohol. If, in any  
14 month, the tax on sales tax holiday items, as defined in  
15 Section 3-6, is imposed at the rate of 1.25%, then the  
16 Department shall pay 100% of the net revenue realized for that  
17 month from the 1.25% rate on the selling price of sales tax  
18 holiday items into the State and Local Sales Tax Reform Fund.

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

26 Beginning October 1, 2009, each month the Department shall

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

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

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

1 "average monthly deficit" shall be equal to the difference  
2 between the average monthly claims for payment by the fund and  
3 the average monthly revenues deposited into the fund,  
4 excluding payments made pursuant to this paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys  
6 received by the Department under this Act, the Service Use Tax  
7 Act, the Service Occupation Tax Act, and the Retailers'  
8 Occupation Tax Act, each month the Department shall deposit  
9 \$500,000 into the State Crime Laboratory Fund.

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



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

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

24 Subject to payment of amounts into the Build Illinois Fund  
25 as provided in the preceding paragraph or in any amendment  
26 thereto hereafter enacted, the following specified monthly

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

10	Fiscal Year	Total Deposit
11	1993	\$0
12	1994	53,000,000
13	1995	58,000,000
14	1996	61,000,000
15	1997	64,000,000
16	1998	68,000,000
17	1999	71,000,000
18	2000	75,000,000
19	2001	80,000,000
20	2002	93,000,000
21	2003	99,000,000
22	2004	103,000,000
23	2005	108,000,000
24	2006	113,000,000
25	2007	119,000,000
26	2008	126,000,000

1	2009	132,000,000
2	2010	139,000,000
3	2011	146,000,000
4	2012	153,000,000
5	2013	161,000,000
6	2014	170,000,000
7	2015	179,000,000
8	2016	189,000,000
9	2017	199,000,000
10	2018	210,000,000
11	2019	221,000,000
12	2020	233,000,000
13	2021	300,000,000
14	2022	300,000,000
15	2023	300,000,000
16	2024	300,000,000
17	2025	300,000,000
18	2026	300,000,000
19	2027	375,000,000
20	2028	375,000,000
21	2029	375,000,000
22	2030	375,000,000
23	2031	375,000,000
24	2032	375,000,000
25	2033	375,000,000
26	2034	375,000,000

1	2035	375,000,000
2	2036	450,000,000

3 and

4 each fiscal year

5 thereafter that bonds

6 are outstanding under

7 Section 13.2 of the

8 Metropolitan Pier and

9 Exposition Authority Act,

10 but not after fiscal year 2060.

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

24 Subject to payment of amounts into the Capital Projects  
25 Fund, the Clean Air Act Permit Fund, 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, for aviation fuel sold on or after December 1, 2019,  
3 the Department shall each month deposit into the Aviation Fuel  
4 Sales Tax Refund Fund an amount estimated by the Department to  
5 be required for refunds of the 80% portion of the tax on  
6 aviation fuel under this Act. The Department shall only  
7 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
8 under this paragraph 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 State.

11 Subject to payment of amounts into the Build Illinois Fund  
12 and the McCormick Place Expansion Project Fund pursuant to the  
13 preceding paragraphs or in any amendments thereto hereafter  
14 enacted, beginning July 1, 1993 and ending on September 30,  
15 2013, the Department shall each month pay into the Illinois  
16 Tax Increment Fund 0.27% of 80% 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.

19 Subject to payment of amounts into the Build Illinois  
20 Fund, the McCormick Place Expansion Project Fund, the Illinois  
21 Tax Increment Fund, and the Energy Infrastructure Fund  
22 pursuant to the preceding paragraphs or in any amendments to  
23 this Section hereafter enacted, beginning on the first day of  
24 the first calendar month to occur on or after August 26, 2014  
25 (the effective date of Public Act 98-1098), each month, from  
26 the collections made under Section 9 of the Use Tax Act,

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

12 Subject to payments of amounts into the Build Illinois  
13 Fund, the McCormick Place Expansion Project Fund, the Illinois  
14 Tax Increment Fund, and the Tax Compliance and Administration  
15 Fund as provided in this Section, beginning on July 1, 2018 the  
16 Department shall pay each month into the Downstate Public  
17 Transportation Fund the moneys required to be so paid under  
18 Section 2-3 of the Downstate Public Transportation Act.

19 Subject to successful execution and delivery of a  
20 public-private agreement between the public agency and private  
21 entity and completion of the civic build, beginning on July 1,  
22 2023, of the remainder of the moneys received by the  
23 Department under the Use Tax Act, the Service Use Tax Act, the  
24 Service Occupation Tax Act, and this Act, the Department shall  
25 deposit the following specified deposits in the aggregate from  
26 collections under the Use Tax Act, the Service Use Tax Act, the

1 Service Occupation Tax Act, and the Retailers' Occupation Tax  
 2 Act, as required under Section 8.25g of the State Finance Act  
 3 for distribution consistent with the Public-Private  
 4 Partnership for Civic and Transit Infrastructure Project Act.  
 5 The moneys received by the Department pursuant to this Act and  
 6 required to be deposited into the Civic and Transit  
 7 Infrastructure Fund are subject to the pledge, claim, and  
 8 charge set forth in Section 25-55 of the Public-Private  
 9 Partnership for Civic and Transit Infrastructure Project Act.  
 10 As used in this paragraph, "civic build", "private entity",  
 11 "public-private agreement", and "public agency" have the  
 12 meanings provided in Section 25-10 of the Public-Private  
 13 Partnership for Civic and Transit Infrastructure Project Act.

14	Fiscal Year.....	Total Deposit
15	2024 .....	\$200,000,000
16	2025 .....	\$206,000,000
17	2026 .....	\$212,200,000
18	2027 .....	\$218,500,000
19	2028 .....	\$225,100,000
20	2029 .....	\$288,700,000
21	2030 .....	\$298,900,000
22	2031 .....	\$309,300,000
23	2032 .....	\$320,100,000
24	2033 .....	\$331,200,000
25	2034 .....	\$341,200,000
26	2035 .....	\$351,400,000



1	2036 .....	\$361,900,000
2	2037 .....	\$372,800,000
3	2038 .....	\$384,000,000
4	2039 .....	\$395,500,000
5	2040 .....	\$407,400,000
6	2041 .....	\$419,600,000
7	2042 .....	\$432,200,000
8	2043 .....	\$445,100,000

9           Beginning July 1, 2021 and until July 1, 2022, subject to  
10 the payment of amounts into the State and Local Sales Tax  
11 Reform Fund, the Build Illinois Fund, the McCormick Place  
12 Expansion Project Fund, the Illinois Tax Increment Fund, and  
13 the Tax Compliance and Administration Fund as provided in this  
14 Section, the Department shall pay each month into the Road  
15 Fund the amount estimated to represent 16% of the net revenue  
16 realized from the taxes imposed on motor fuel and gasohol.  
17 Beginning July 1, 2022 and until July 1, 2023, subject to the  
18 payment of amounts into the State and Local Sales Tax Reform  
19 Fund, the Build Illinois Fund, the McCormick Place Expansion  
20 Project Fund, the Illinois Tax Increment Fund, and the Tax  
21 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 32% of the net revenue  
24 realized from the taxes imposed on motor fuel and gasohol.  
25 Beginning July 1, 2023 and until July 1, 2024, 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 48% of the net revenue  
6 realized from the taxes imposed on motor fuel and gasohol.  
7 Beginning July 1, 2024 and until July 1, 2025, 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 64% of the net revenue  
14 realized from the taxes imposed on motor fuel and gasohol.  
15 Beginning on July 1, 2025, subject to the payment of amounts  
16 into the State and Local Sales Tax Reform Fund, the Build  
17 Illinois Fund, the McCormick Place Expansion Project Fund, the  
18 Illinois Tax Increment Fund, and the Tax Compliance and  
19 Administration Fund as provided in this Section, the  
20 Department shall pay each month into the Road Fund the amount  
21 estimated to represent 80% of the net revenue realized from  
22 the taxes imposed on motor fuel and gasohol. As used in this  
23 paragraph "motor fuel" has the meaning given to that term in  
24 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the  
25 meaning given to that term in Section 3-40 of this Act.

26 Of the remainder of the moneys received by the Department

1 pursuant to this Act, 75% thereof shall be paid into the State  
2 Treasury and 25% shall be reserved in a special account and  
3 used only for the transfer to the Common School Fund as part of  
4 the monthly transfer from the General Revenue Fund in  
5 accordance with Section 8a of the State Finance Act.

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

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

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

24 (Source: P.A. 102-700, Article 60, Section 60-15, eff.  
25 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;  
26 102-1019, eff. 1-1-23; 103-154, eff. 6-30-23; 103-363, eff.

1 7-28-23.)

2 Section 110-10. The Service Use Tax Act is amended by  
3 changing Section 9 as follows:

4 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

5 Sec. 9. Each serviceman required or authorized to collect  
6 the tax herein imposed shall pay to the Department the amount  
7 of such tax (except as otherwise provided) at the time when he  
8 is required to file his return for the period during which such  
9 tax was collected, less a discount of 2.1% prior to January 1,  
10 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
11 year, whichever is greater, which is allowed to reimburse the  
12 serviceman for expenses incurred in collecting the tax,  
13 keeping records, preparing and filing returns, remitting the  
14 tax and supplying data to the Department on request. Beginning  
15 with returns due on or after January 1, 2025, the vendor's  
16 discount allowed in this Section, the Retailers' Occupation  
17 Tax Act, the Service Occupation Tax Act, and the Use Tax Act,  
18 including any local tax administered by the Department and  
19 reported on the same return, shall not exceed \$1,000 per month  
20 in the aggregate. When determining the discount allowed under  
21 this Section, servicemen shall include the amount of tax that  
22 would have been due at the 1% rate but for the 0% rate imposed  
23 under this amendatory Act of the 102nd General Assembly. The  
24 discount under this Section is not allowed for the 1.25%

1 portion of taxes paid on aviation fuel that is subject to the  
2 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
3 47133. The discount allowed under this Section is allowed only  
4 for returns that are filed in the manner required by this Act.  
5 The Department may disallow the discount for servicemen whose  
6 certificate of registration is revoked at the time the return  
7 is filed, but only if the Department's decision to revoke the  
8 certificate of registration has become final. A serviceman  
9 need not remit that part of any tax collected by him to the  
10 extent that he is required to pay and does pay the tax imposed  
11 by the Service Occupation Tax Act with respect to his sale of  
12 service involving the incidental transfer by him of the same  
13 property.

14 Except as provided hereinafter in this Section, on or  
15 before the twentieth day of each calendar month, such  
16 serviceman shall file a return for the preceding calendar  
17 month in accordance with reasonable Rules and Regulations to  
18 be promulgated by the Department. Such return shall be filed  
19 on a form prescribed by the Department and shall contain such  
20 information as the Department may reasonably require. The  
21 return shall include the gross receipts which were received  
22 during the preceding calendar month or quarter on the  
23 following items upon which tax would have been due but for the  
24 0% rate imposed under this amendatory Act of the 102nd General  
25 Assembly: (i) food for human consumption that is to be  
26 consumed off the premises where it is sold (other than

1 alcoholic beverages, food consisting of or infused with adult  
2 use cannabis, soft drinks, and food that has been prepared for  
3 immediate consumption); and (ii) food prepared for immediate  
4 consumption and transferred incident to a sale of service  
5 subject to this Act or the Service Occupation Tax Act by an  
6 entity licensed under the Hospital Licensing Act, the Nursing  
7 Home Care Act, the Assisted Living and Shared Housing Act, the  
8 ID/DD Community Care Act, the MC/DD Act, the Specialized  
9 Mental Health Rehabilitation Act of 2013, or the Child Care  
10 Act of 1969, or an entity that holds a permit issued pursuant  
11 to the Life Care Facilities Act. The return shall also include  
12 the amount of tax that would have been due on the items listed  
13 in the previous sentence but for the 0% rate imposed under this  
14 amendatory Act of the 102nd General Assembly.

15 On and after January 1, 2018, with respect to servicemen  
16 whose annual gross receipts average \$20,000 or more, all  
17 returns required to be filed pursuant to this Act shall be  
18 filed electronically. Servicemen who demonstrate that they do  
19 not have access to the Internet or demonstrate hardship in  
20 filing electronically may petition the Department to waive the  
21 electronic filing requirement.

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

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

3 1. The name of the seller;

4 2. The address of the principal place of business from  
5 which he engages in business as a serviceman in this  
6 State;

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

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

13 5. The amount of tax due;

14 5-5. The signature of the taxpayer; and

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

17 Each serviceman required or authorized to collect the tax  
18 imposed by this Act on aviation fuel transferred as an  
19 incident of a sale of service in this State during the  
20 preceding calendar month shall, instead of reporting and  
21 paying tax on aviation fuel as otherwise required by this  
22 Section, report and pay such tax on a separate aviation fuel  
23 tax return. The requirements related to the return shall be as  
24 otherwise provided in this Section. Notwithstanding any other  
25 provisions of this Act to the contrary, servicemen collecting  
26 tax on aviation fuel shall file all aviation fuel tax returns

1 and shall make all aviation fuel tax payments by electronic  
2 means in the manner and form required by the Department. For  
3 purposes of this Section, "aviation fuel" means jet fuel and  
4 aviation gasoline.

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

9 Notwithstanding any other provision of this Act to the  
10 contrary, servicemen subject to tax on cannabis shall file all  
11 cannabis tax returns and shall make all cannabis tax payments  
12 by electronic means in the manner and form required by the  
13 Department.

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



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

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

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

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

25 The Department shall adopt such rules as are necessary to  
26 effectuate a program of electronic funds transfer and the

1 requirements of this Section.

2 If the serviceman is otherwise required to file a monthly  
3 return and if the serviceman's average monthly tax liability  
4 to 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 year  
7 being due by April 20 of such year; with the return for April,  
8 May and June of a given year being due by July 20 of such year;  
9 with the return for July, August and September of a given year  
10 being due by October 20 of such year, and with the return for  
11 October, November and December of a given year being due by  
12 January 20 of the following year.

13 If the serviceman is otherwise required to file a monthly  
14 or quarterly return and if the serviceman's average monthly  
15 tax 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 serviceman may file his return, in the  
24 case of any serviceman who ceases to engage in a kind of  
25 business which makes him responsible for filing returns under  
26 this Act, such serviceman shall file a final return under this

1 Act with the Department not more than 1 month after  
2 discontinuing such business.

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

20 Any serviceman filing a return hereunder shall also  
21 include the total tax upon the selling price of tangible  
22 personal property purchased for use by him as an incident to a  
23 sale of service, and such serviceman shall remit the amount of  
24 such tax to the Department when filing such 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 servicemen, who are required to file  
2 returns hereunder and also under the Service Occupation Tax  
3 Act, to furnish all the return information required by both  
4 Acts on the one form.

5 Where the serviceman has more than one business registered  
6 with the Department under separate registration hereunder,  
7 such serviceman shall 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 Tax Reform Fund, a special fund in  
12 the State Treasury, the net revenue realized for the preceding  
13 month from the 1% tax imposed under this Act.

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

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

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

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

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

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

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

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

1	2002	93,000,000
2	2003	99,000,000
3	2004	103,000,000
4	2005	108,000,000
5	2006	113,000,000
6	2007	119,000,000
7	2008	126,000,000
8	2009	132,000,000
9	2010	139,000,000
10	2011	146,000,000
11	2012	153,000,000
12	2013	161,000,000
13	2014	170,000,000
14	2015	179,000,000
15	2016	189,000,000
16	2017	199,000,000
17	2018	210,000,000
18	2019	221,000,000
19	2020	233,000,000
20	2021	300,000,000
21	2022	300,000,000
22	2023	300,000,000
23	2024	300,000,000
24	2025	300,000,000
25	2026	300,000,000
26	2027	375,000,000

1	2028	375,000,000
2	2029	375,000,000
3	2030	375,000,000
4	2031	375,000,000
5	2032	375,000,000
6	2033	375,000,000
7	2034	375,000,000
8	2035	375,000,000
9	2036	450,000,000

10 and

11 each fiscal year

12 thereafter that bonds

13 are outstanding under

14 Section 13.2 of the

15 Metropolitan Pier and

16 Exposition Authority Act,

17 but not after fiscal year 2060.

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

1 shall be deposited into the McCormick Place Expansion Project  
2 Fund, until the full amount requested for the fiscal year, but  
3 not in excess of the amount specified above as "Total  
4 Deposit", has been deposited.

5 Subject to payment of amounts into the Capital Projects  
6 Fund, the Clean Air Act Permit Fund, 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, for aviation fuel sold on or after December 1, 2019,  
10 the Department shall each month deposit into the Aviation Fuel  
11 Sales Tax Refund Fund an amount estimated by the Department to  
12 be required for refunds of the 80% portion of the tax on  
13 aviation fuel under this Act. The Department shall only  
14 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
15 under this paragraph for so long as the revenue use  
16 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
17 binding on the State.

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

26 Subject to payment of amounts into the Build Illinois

1 Fund, the McCormick Place Expansion Project Fund, the Illinois  
2 Tax Increment Fund, pursuant to the preceding paragraphs or in  
3 any amendments to this Section hereafter enacted, beginning on  
4 the first day of the first calendar month to occur on or after  
5 August 26, 2014 (the effective date of Public Act 98-1098),  
6 each month, from the collections made under Section 9 of the  
7 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of  
8 the Service Occupation Tax Act, and Section 3 of the  
9 Retailers' Occupation Tax Act, the Department shall pay into  
10 the Tax Compliance and Administration Fund, to be used,  
11 subject to appropriation, to fund additional auditors and  
12 compliance personnel at the Department of Revenue, an amount  
13 equal to 1/12 of 5% of 80% of the cash receipts collected  
14 during the preceding fiscal year by the Audit Bureau of the  
15 Department under the Use Tax Act, the Service Use Tax Act, the  
16 Service Occupation Tax Act, the Retailers' Occupation Tax Act,  
17 and associated local occupation and use taxes administered by  
18 the Department.

19 Subject to payments of amounts into the Build Illinois  
20 Fund, the McCormick Place Expansion Project Fund, the Illinois  
21 Tax Increment Fund, and the Tax Compliance and Administration  
22 Fund as provided in this Section, beginning on July 1, 2018 the  
23 Department shall pay each month into the Downstate Public  
24 Transportation Fund the moneys required to be so paid under  
25 Section 2-3 of the 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 State and Local Sales Tax  
18 Reform Fund, the Build Illinois Fund, the McCormick Place  
19 Expansion Project Fund, the Energy Infrastructure Fund, and  
20 the Tax 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 16% of the net revenue  
23 realized from the taxes imposed on motor fuel and gasohol.  
24 Beginning July 1, 2022 and until July 1, 2023, subject to the  
25 payment of amounts into the State and Local Sales Tax Reform  
26 Fund, the Build Illinois Fund, the McCormick Place Expansion

1 Project Fund, the Illinois Tax Increment Fund, and the Tax  
2 Compliance and Administration Fund as provided in this  
3 Section, the Department shall pay each month into the Road  
4 Fund the amount estimated to represent 32% of the net revenue  
5 realized from the taxes imposed on motor fuel and gasohol.  
6 Beginning July 1, 2023 and until July 1, 2024, subject to the  
7 payment of amounts into the State and Local Sales Tax Reform  
8 Fund, the Build Illinois Fund, the McCormick Place Expansion  
9 Project Fund, the Illinois Tax Increment Fund, and the Tax  
10 Compliance and Administration Fund as provided in this  
11 Section, the Department shall pay each month into the Road  
12 Fund the amount estimated to represent 48% of the net revenue  
13 realized from the taxes imposed on motor fuel and gasohol.  
14 Beginning July 1, 2024 and until July 1, 2025, subject to the  
15 payment of amounts into the State and Local Sales Tax Reform  
16 Fund, the Build Illinois Fund, the McCormick Place Expansion  
17 Project Fund, the Illinois Tax Increment Fund, and the Tax  
18 Compliance and Administration Fund as provided in this  
19 Section, the Department shall pay each month into the Road  
20 Fund the amount estimated to represent 64% of the net revenue  
21 realized from the taxes imposed on motor fuel and gasohol.  
22 Beginning on July 1, 2025, subject to the payment of amounts  
23 into the State and Local Sales Tax Reform Fund, the Build  
24 Illinois Fund, the McCormick Place Expansion Project Fund, the  
25 Illinois Tax Increment Fund, and the Tax Compliance and  
26 Administration Fund as provided in this Section, the



1 Department shall pay each month into the Road Fund the amount  
2 estimated to represent 80% of the net revenue realized from  
3 the taxes imposed on motor fuel and gasohol. As used in this  
4 paragraph "motor fuel" has the meaning given to that term in  
5 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the  
6 meaning given to that term in Section 3-40 of the Use Tax Act.

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

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

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

25 (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  
25 subject to the revenue use requirements of 49 U.S.C. 47107(b)

1 and 49 U.S.C. 47133. The discount allowed under this Section  
2 is allowed only for returns that are filed in the manner  
3 required by this Act. The Department may disallow the discount  
4 for servicemen whose certificate of registration is revoked at  
5 the time the return is filed, but only if the Department's  
6 decision to revoke the certificate of registration has become  
7 final.

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

16 Except as provided hereinafter in this Section, on or  
17 before the twentieth day of each calendar month, such  
18 serviceman shall file a return for the preceding calendar  
19 month in accordance with reasonable rules and regulations to  
20 be promulgated by the Department of Revenue. Such return shall  
21 be filed on a form prescribed by the Department and shall  
22 contain such information as the Department may reasonably  
23 require. The return shall include the gross receipts which  
24 were received during the preceding calendar month or quarter  
25 on the following items upon which tax would have been due but  
26 for the 0% rate imposed under Public Act 102-700 ~~this~~

1 ~~amendatory Act of the 102nd General Assembly~~: (i) food for  
2 human consumption that is to be consumed off the premises  
3 where it is sold (other than alcoholic beverages, food  
4 consisting of or infused with adult use cannabis, soft drinks,  
5 and food that has been prepared for immediate consumption);  
6 and (ii) food prepared for immediate consumption and  
7 transferred incident to a sale of service subject to this Act  
8 or the Service Use Tax Act by an entity licensed under the  
9 Hospital Licensing Act, the Nursing Home Care Act, the  
10 Assisted Living and Shared Housing Act, the ID/DD Community  
11 Care Act, the MC/DD Act, the Specialized Mental Health  
12 Rehabilitation Act of 2013, or the Child Care Act of 1969, or  
13 an entity that holds a permit issued pursuant to the Life Care  
14 Facilities Act. The return shall also include the amount of  
15 tax that would have been due on the items listed in the  
16 previous sentence but for the 0% rate imposed under Public Act  
17 102-700 ~~this amendatory Act of the 102nd General Assembly~~.

18 On and after January 1, 2018, with respect to servicemen  
19 whose annual gross receipts average \$20,000 or more, all  
20 returns required to be filed pursuant to this Act shall be  
21 filed electronically. Servicemen who demonstrate that they do  
22 not have access to the Internet or demonstrate hardship in  
23 filing electronically may petition the Department to waive the  
24 electronic filing requirement.

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

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

6 1. The name of the seller;

7 2. The address of the principal place of business from  
8 which he engages in business as a serviceman in this  
9 State;

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

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

16 5. The amount of tax due;

17 5-5. The signature of the taxpayer; and

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

20 Each serviceman required or authorized to collect the tax  
21 herein imposed on aviation fuel acquired as an incident to the  
22 purchase of a service in this State during the preceding  
23 calendar month shall, instead of reporting and paying tax as  
24 otherwise required by this Section, report and pay such tax on  
25 a separate aviation fuel tax return. The requirements related  
26 to the return shall be as otherwise provided in this Section.

1 Notwithstanding any other provisions of this Act to the  
2 contrary, servicemen transferring aviation fuel incident to  
3 sales of service shall file all aviation fuel tax returns and  
4 shall make all aviation fuel tax payments by electronic means  
5 in the manner and form required by the Department. For  
6 purposes of this Section, "aviation fuel" means jet fuel and  
7 aviation gasoline.

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

12 Notwithstanding any other provision of this Act to the  
13 contrary, servicemen subject to tax on cannabis shall file all  
14 cannabis tax returns and shall make all cannabis tax payments  
15 by electronic means in the manner and form required by the  
16 Department.

17 Prior to October 1, 2003, and on and after September 1,  
18 2004 a serviceman may accept a Manufacturer's Purchase Credit  
19 certification from a purchaser in satisfaction of Service Use  
20 Tax as provided in Section 3-70 of the Service Use Tax Act if  
21 the purchaser provides the appropriate documentation as  
22 required by Section 3-70 of the Service Use Tax Act. A  
23 Manufacturer's Purchase Credit certification, accepted prior  
24 to October 1, 2003 or on or after September 1, 2004 by a  
25 serviceman as provided in Section 3-70 of the Service Use Tax  
26 Act, may be used by that serviceman to satisfy Service

1 Occupation Tax liability in the amount claimed in the  
2 certification, not to exceed 6.25% of the receipts subject to  
3 tax from a qualifying purchase. A Manufacturer's Purchase  
4 Credit reported on any original or amended return filed under  
5 this Act after October 20, 2003 for reporting periods prior to  
6 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
7 Credit reported on annual returns due on or after January 1,  
8 2005 will be disallowed for periods prior to September 1,  
9 2004. No Manufacturer's Purchase Credit may be used after  
10 September 30, 2003 through August 31, 2004 to satisfy any tax  
11 liability imposed under this Act, including any audit  
12 liability.

13 Beginning on July 1, 2023 and through December 31, 2032, a  
14 serviceman may accept a Sustainable Aviation Fuel Purchase  
15 Credit certification from an air common carrier-purchaser in  
16 satisfaction of Service Use Tax as provided in Section 3-72 of  
17 the Service Use Tax Act if the purchaser provides the  
18 appropriate documentation as required by Section 3-72 of the  
19 Service Use Tax Act. A Sustainable Aviation Fuel Purchase  
20 Credit certification accepted by a serviceman in accordance  
21 with this paragraph may be used by that serviceman to satisfy  
22 service occupation tax liability (but not in satisfaction of  
23 penalty or interest) in the amount claimed in the  
24 certification, not to exceed 6.25% of the receipts subject to  
25 tax from a sale of aviation fuel. In addition, for a sale of  
26 aviation fuel to qualify to earn the Sustainable Aviation Fuel

1 Purchase Credit, servicemen must retain in their books and  
2 records a certification from the producer of the aviation fuel  
3 that the aviation fuel sold by the serviceman and for which a  
4 sustainable aviation fuel purchase credit was earned meets the  
5 definition of sustainable aviation fuel under Section 3-72 of  
6 the Service Use Tax Act. The documentation must include detail  
7 sufficient for the Department to determine the number of  
8 gallons of sustainable aviation fuel sold.

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

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

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

26 Notwithstanding any other provision in this Act concerning



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

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

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

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

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

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

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

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

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

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

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

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the Local Government Tax Fund the revenue realized  
25 for the preceding month from the 1% tax imposed under this Act.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the County and Mass Transit District Fund 4% of the  
2 revenue realized for the preceding month from the 6.25%  
3 general rate on sales of tangible personal property other than  
4 aviation fuel sold on or after December 1, 2019. This  
5 exception for aviation fuel only applies for so long as the  
6 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
7 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.

12 Beginning January 1, 1990, each month the Department shall  
13 pay into the Local Government Tax Fund 16% of the revenue  
14 realized for the preceding month from the 6.25% general rate  
15 on transfers of tangible personal property other than aviation  
16 fuel sold on or after December 1, 2019. This exception for  
17 aviation fuel only applies 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 For aviation fuel sold on or after December 1, 2019, each  
21 month the Department shall pay into the State Aviation Program  
22 Fund 20% of the net revenue realized for the preceding month  
23 from the 6.25% general rate on the selling price of aviation  
24 fuel, less an amount estimated by the Department to be  
25 required for refunds of the 20% portion of the tax on aviation  
26 fuel under this Act, which amount shall be deposited into the

1 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
2 pay moneys into the State Aviation Program Fund and the  
3 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
4 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
5 U.S.C. 47133 are binding on the State.

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

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

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 Use Tax Act, the Service Use Tax  
20 Act, and the Retailers' Occupation Tax Act an amount equal to  
21 the average monthly deficit in the Underground Storage Tank  
22 Fund during the prior year, as certified annually by the  
23 Illinois Environmental Protection Agency, but the total  
24 payment into the Underground Storage Tank Fund under this Act,  
25 the Use Tax Act, the Service Use Tax Act, and the Retailers'  
26 Occupation Tax Act shall not exceed \$18,000,000 in any State

1 fiscal year. As used in this paragraph, the "average monthly  
2 deficit" shall be equal to the difference between the average  
3 monthly claims for payment by the fund and the average monthly  
4 revenues deposited into the fund, excluding payments made  
5 pursuant to this paragraph.

6 Beginning July 1, 2015, of the remainder of the moneys  
7 received by the Department under the Use Tax Act, the Service  
8 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,  
9 each month the Department shall deposit \$500,000 into the  
10 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 Account in  
7 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

1	2007	119,000,000
2	2008	126,000,000
3	2009	132,000,000
4	2010	139,000,000
5	2011	146,000,000
6	2012	153,000,000
7	2013	161,000,000
8	2014	170,000,000
9	2015	179,000,000
10	2016	189,000,000
11	2017	199,000,000
12	2018	210,000,000
13	2019	221,000,000
14	2020	233,000,000
15	2021	300,000,000
16	2022	300,000,000
17	2023	300,000,000
18	2024	300,000,000
19	2025	300,000,000
20	2026	300,000,000
21	2027	375,000,000
22	2028	375,000,000
23	2029	375,000,000
24	2030	375,000,000
25	2031	375,000,000
26	2032	375,000,000

1	2033	375,000,000
2	2034	375,000,000
3	2035	375,000,000
4	2036	450,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

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

26 Subject to payment of amounts into the Capital Projects

1 Fund, the Build Illinois Fund, and the McCormick Place  
2 Expansion Project Fund pursuant to the preceding paragraphs or  
3 in any amendments thereto hereafter enacted, for aviation fuel  
4 sold on or after December 1, 2019, the Department shall each  
5 month deposit into the Aviation Fuel Sales Tax Refund Fund an  
6 amount estimated by the Department to be required for refunds  
7 of the 80% portion of the tax on aviation fuel under this Act.  
8 The Department shall only deposit moneys into the Aviation  
9 Fuel Sales Tax Refund Fund under this paragraph for so long as  
10 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
11 U.S.C. 47133 are 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, and the  
22 Illinois Tax Increment Fund pursuant to the preceding  
23 paragraphs or in any amendments to this Section hereafter  
24 enacted, beginning on the first day of the first calendar  
25 month to occur on or after August 26, 2014 (the effective date  
26 of Public Act 98-1098), each month, from the collections made

1 under Section 9 of the Use Tax Act, Section 9 of the Service  
2 Use Tax Act, Section 9 of the Service Occupation Tax Act, and  
3 Section 3 of the Retailers' Occupation Tax Act, the Department  
4 shall pay into the Tax Compliance and Administration Fund, to  
5 be used, subject to appropriation, to fund additional auditors  
6 and compliance personnel at the Department of Revenue, an  
7 amount equal to 1/12 of 5% of 80% of the cash receipts  
8 collected during the preceding fiscal year by the Audit Bureau  
9 of the Department under the Use Tax Act, the Service Use Tax  
10 Act, the Service Occupation Tax Act, the Retailers' Occupation  
11 Tax Act, and associated local occupation and use taxes  
12 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 County and Mass Transit  
12 District Fund, the Local Government Tax Fund, the Build  
13 Illinois Fund, the McCormick Place Expansion Project Fund, the  
14 Illinois Tax Increment Fund, and the Tax Compliance and  
15 Administration Fund as provided in this Section, the  
16 Department shall pay each month into the Road Fund the amount  
17 estimated to represent 16% of the net revenue realized from  
18 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
19 2022 and until July 1, 2023, subject to the payment of amounts  
20 into the County and Mass Transit District Fund, the Local  
21 Government Tax Fund, the Build Illinois Fund, the McCormick  
22 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
23 and the Tax Compliance and Administration Fund as provided in  
24 this Section, the Department shall pay each month into the  
25 Road Fund the amount estimated to represent 32% of the net  
26 revenue realized from the taxes imposed on motor fuel and

1 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
2 subject to the payment of amounts into the County and Mass  
3 Transit District Fund, the Local Government Tax Fund, the  
4 Build Illinois Fund, the McCormick Place Expansion Project  
5 Fund, the Illinois Tax Increment Fund, and the Tax Compliance  
6 and Administration Fund as provided in this Section, the  
7 Department shall pay each month into the Road Fund the amount  
8 estimated to represent 48% of the net revenue realized from  
9 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
10 2024 and until July 1, 2025, subject to the payment of amounts  
11 into the County and Mass Transit District Fund, the Local  
12 Government Tax Fund, the Build Illinois Fund, the McCormick  
13 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
14 and the Tax Compliance and Administration Fund as provided in  
15 this Section, the Department shall pay each month into the  
16 Road Fund the amount estimated to represent 64% of the net  
17 revenue realized from the taxes imposed on motor fuel and  
18 gasohol. Beginning on July 1, 2025, subject to the payment of  
19 amounts into the County and Mass Transit District Fund, the  
20 Local Government Tax Fund, the Build Illinois Fund, the  
21 McCormick Place Expansion Project Fund, the Illinois Tax  
22 Increment Fund, and the Tax Compliance and Administration Fund  
23 as provided in this Section, the Department shall pay each  
24 month into the Road Fund the amount estimated to represent 80%  
25 of the net revenue realized from the taxes imposed on motor  
26 fuel and gasohol. As used in this paragraph "motor fuel" has



1 the meaning given to that term in Section 1.1 of the Motor Fuel  
2 Tax Law, and "gasohol" has the meaning given to that term in  
3 Section 3-40 of the Use Tax Act.

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

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

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

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

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

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

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

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

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

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

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

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

1 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;  
2 103-363, eff. 7-28-23; revised 9-25-23.)

3 Section 110-20. The Retailers' Occupation Tax Act is  
4 amended by changing Section 3 as follows:

5 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

11 1. The name of the seller;

12 2. His residence address and the address of his  
13 principal place of business and the address of the  
14 principal place of business (if that is a different  
15 address) from which he engages in the business of selling  
16 tangible personal property at retail in this State;

17 3. Total amount of receipts received by him during the  
18 preceding calendar month or quarter, as the case may be,  
19 from sales of tangible personal property, and from  
20 services furnished, by him during such preceding calendar  
21 month or quarter;

22 4. Total amount received by him during the preceding  
23 calendar month or quarter on charge and time sales of  
24 tangible personal property, and from services furnished,

1 by him prior to the month or quarter for which the return  
2 is filed;

3 5. Deductions allowed by law;

4 6. Gross receipts which were received by him during  
5 the preceding calendar month or quarter and upon the basis  
6 of which the tax is imposed, including gross receipts on  
7 food for human consumption that is to be consumed off the  
8 premises where it is sold (other than alcoholic beverages,  
9 food consisting of or infused with adult use cannabis,  
10 soft drinks, and food that has been prepared for immediate  
11 consumption) which were received during the preceding  
12 calendar month or quarter and upon which tax would have  
13 been due but for the 0% rate imposed under Public Act  
14 102-700;

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

17 8. The amount of tax due, including the amount of tax  
18 that would have been due on food for human consumption  
19 that is to be consumed off the premises where it is sold  
20 (other than alcoholic beverages, food consisting of or  
21 infused with adult use cannabis, soft drinks, and food  
22 that has been prepared for immediate consumption) but for  
23 the 0% rate imposed under Public Act 102-700;

24 9. The signature of the taxpayer; and

25 10. Such other reasonable information as the  
26 Department may require.

1           On and after January 1, 2018, except for returns required  
2 to be filed prior to January 1, 2023 for motor vehicles,  
3 watercraft, aircraft, and trailers that are required to be  
4 registered with an agency of this State, with respect to  
5 retailers whose annual gross receipts average \$20,000 or more,  
6 all returns required to be filed pursuant to this Act shall be  
7 filed electronically. On and after January 1, 2023, with  
8 respect to retailers whose annual gross receipts average  
9 \$20,000 or more, all returns required to be filed pursuant to  
10 this Act, including, but not limited to, returns for motor  
11 vehicles, watercraft, aircraft, and trailers that are required  
12 to be registered with an agency of this State, shall be filed  
13 electronically. Retailers who demonstrate that they do not  
14 have access to the Internet or demonstrate hardship in filing  
15 electronically may petition the Department to waive the  
16 electronic filing requirement.

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

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

24           Prior to October 1, 2003~~7~~ and on and after September 1,  
25 2004~~4~~, a retailer may accept a Manufacturer's Purchase Credit  
26 certification from a purchaser in satisfaction of Use Tax as

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

19 Beginning on July 1, 2023 and through December 31, 2032, a  
20 retailer may accept a Sustainable Aviation Fuel Purchase  
21 Credit certification from an air common carrier-purchaser in  
22 satisfaction of Use Tax on aviation fuel as provided in  
23 Section 3-87 of the Use Tax Act if the purchaser provides the  
24 appropriate documentation as required by Section 3-87 of the  
25 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit  
26 certification accepted by a retailer in accordance with this

1 paragraph may be used by that retailer to satisfy Retailers'  
2 Occupation Tax liability (but not in satisfaction of penalty  
3 or interest) in the amount claimed in the certification, not  
4 to exceed 6.25% of the receipts subject to tax from a sale of  
5 aviation fuel. In addition, for a sale of aviation fuel to  
6 qualify to earn the Sustainable Aviation Fuel Purchase Credit,  
7 retailers must retain in their books and records a  
8 certification from the producer of the aviation fuel that the  
9 aviation fuel sold by the retailer and for which a sustainable  
10 aviation fuel purchase credit was earned meets the definition  
11 of sustainable aviation fuel under Section 3-87 of the Use Tax  
12 Act. The documentation must include detail sufficient for the  
13 Department to determine the number of gallons of sustainable  
14 aviation fuel sold.

15 The Department may require returns to be filed on a  
16 quarterly basis. If so required, a return for each calendar  
17 quarter shall be filed on or before the twentieth day of the  
18 calendar month following the end of such calendar quarter. The  
19 taxpayer shall also file a return with the Department for each  
20 of the first 2 ~~two~~ months of each calendar quarter, on or  
21 before the twentieth day of the following calendar month,  
22 stating:

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business from  
25 which he engages in the business of selling tangible  
26 personal property at retail in this State;



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

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

8           5. The amount of tax due; and

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

11          Every person engaged in the business of selling aviation  
12          fuel at retail in this State during the preceding calendar  
13          month shall, instead of reporting and paying tax as otherwise  
14          required by this Section, report and pay such tax on a separate  
15          aviation fuel tax return. The requirements related to the  
16          return shall be as otherwise provided in this Section.  
17          Notwithstanding any other provisions of this Act to the  
18          contrary, retailers selling aviation fuel shall file all  
19          aviation fuel tax returns and shall make all aviation fuel tax  
20          payments by electronic means in the manner and form required  
21          by the Department. For purposes of this Section, "aviation  
22          fuel" means jet fuel and aviation gasoline.

23          Beginning on October 1, 2003, any person who is not a  
24          licensed distributor, importing distributor, or manufacturer,  
25          as defined in the Liquor Control Act of 1934, but is engaged in  
26          the business of selling, at retail, alcoholic liquor shall

1 file a statement with the Department of Revenue, in a format  
2 and at a time prescribed by the Department, showing the total  
3 amount paid for alcoholic liquor purchased during the  
4 preceding month and such other information as is reasonably  
5 required by the Department. The Department may adopt rules to  
6 require that this statement be filed in an electronic or  
7 telephonic format. Such rules may provide for exceptions from  
8 the filing requirements of this paragraph. For the purposes of  
9 this paragraph, the term "alcoholic liquor" shall have the  
10 meaning prescribed in the Liquor Control Act of 1934.

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

1 total sales of alcoholic liquor to that retailer no later than  
2 the 10th day of the month for the preceding month during which  
3 the transaction occurred. The distributor, importing  
4 distributor, or manufacturer shall notify the retailer as to  
5 the method by which the distributor, importing distributor, or  
6 manufacturer will provide the sales information. If the  
7 retailer is unable to receive the sales information by  
8 electronic means, the distributor, importing distributor, or  
9 manufacturer shall furnish the sales information by personal  
10 delivery or by mail. For purposes of this paragraph, the term  
11 "electronic means" includes, but is not limited to, the use of  
12 a secure Internet website, e-mail, or facsimile.

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

17 Notwithstanding any other provision of this Act to the  
18 contrary, retailers subject to tax on cannabis shall file all  
19 cannabis tax returns and shall make all cannabis tax payments  
20 by electronic means in the manner and form required by the  
21 Department.

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

1 make all payments required by rules of the Department by  
2 electronic funds transfer. Beginning October 1, 1995, a  
3 taxpayer who has an average monthly tax liability of \$50,000  
4 or more shall make all payments required by rules of the  
5 Department by electronic funds transfer. Beginning October 1,  
6 2000, a taxpayer who has an annual tax liability of \$200,000 or  
7 more shall make all payments required by rules of the  
8 Department by electronic funds transfer. The term "annual tax  
9 liability" shall be the sum of the taxpayer's liabilities  
10 under this Act, and under all other State and local occupation  
11 and use tax laws administered by the Department, for the  
12 immediately preceding calendar year. The term "average monthly  
13 tax liability" shall be the sum of the taxpayer's liabilities  
14 under this Act, and under all other State and local occupation  
15 and use tax laws administered by the Department, for the  
16 immediately preceding calendar year divided by 12. Beginning  
17 on October 1, 2002, a taxpayer who has a tax liability in the  
18 amount set forth in subsection (b) of Section 2505-210 of the  
19 Department of Revenue Law shall make all payments required by  
20 rules of the Department by electronic funds transfer.

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

26 Any taxpayer not required to make payments by electronic

1 funds transfer may make payments by electronic funds transfer  
2 with the permission of the Department.

3 All taxpayers required to make payment by electronic funds  
4 transfer and any taxpayers authorized to voluntarily make  
5 payments by electronic funds transfer shall make those  
6 payments in the manner authorized by the Department.

7 The Department shall adopt such rules as are necessary to  
8 effectuate a program of electronic funds transfer and the  
9 requirements of this Section.

10 Any amount which is required to be shown or reported on any  
11 return or other document under this Act shall, if such amount  
12 is not a whole-dollar amount, be increased to the nearest  
13 whole-dollar amount in any case where the fractional part of a  
14 dollar is 50 cents or more, and decreased to the nearest  
15 whole-dollar amount where the fractional part of a dollar is  
16 less than 50 cents.

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

1 being due by January 20 of the following year.

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

8 Such quarter annual and annual returns, as to form and  
9 substance, shall be subject to the same requirements as  
10 monthly returns.

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

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

24 In addition, with respect to motor vehicles, watercraft,  
25 aircraft, and trailers that are required to be registered with  
26 an agency of this State, except as otherwise provided in this

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

22 In addition, with respect to motor vehicles, watercraft,  
23 aircraft, and trailers that are required to be registered with  
24 an agency of this State, every person who is engaged in the  
25 business of leasing or renting such items and who, in  
26 connection with such business, sells any such item to a

1 retailer for the purpose of resale is, notwithstanding any  
2 other provision of this Section to the contrary, authorized to  
3 meet the return-filing requirement of this Act by reporting  
4 the transfer of all the aircraft, watercraft, motor vehicles,  
5 or trailers transferred for resale during a month to the  
6 Department on the same uniform invoice-transaction reporting  
7 return form on or before the 20th of the month following the  
8 month in which the transfer takes place. Notwithstanding any  
9 other provision of this Act to the contrary, all returns filed  
10 under this paragraph must be filed by electronic means in the  
11 manner and form as required by the Department.

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

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



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

15 The transaction reporting return in the case of watercraft  
16 or aircraft must show the name and address of the seller; the  
17 name and address of the purchaser; the amount of the selling  
18 price including the amount allowed by the retailer for  
19 traded-in property, if any; the amount allowed by the retailer  
20 for the traded-in tangible personal property, if any, to the  
21 extent to which Section 1 of this Act allows an exemption for  
22 the value of traded-in property; the balance payable after  
23 deducting such trade-in allowance from the total selling  
24 price; the amount of tax due from the retailer with respect to  
25 such transaction; the amount of tax collected from the  
26 purchaser by the retailer on such transaction (or satisfactory

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

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

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

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

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

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

1 discount provided for in this Section being allowed. When the  
2 user pays the tax directly to the Department, he shall pay the  
3 tax in the same amount and in the same form in which it would  
4 be remitted if the tax had been remitted to the Department by  
5 the retailer.

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

14 Where the seller is a corporation, the return filed on  
15 behalf of such corporation shall be signed by the president,  
16 vice-president, secretary, or treasurer or by the properly  
17 accredited agent of such corporation.

18 Where the seller is a limited liability company, the  
19 return filed on behalf of the limited liability company shall  
20 be signed by a manager, member, or properly accredited agent  
21 of the limited liability company.

22 Except as provided in this Section, the retailer filing  
23 the return under this Section shall, at the time of filing such  
24 return, pay to the Department the amount of tax imposed by this  
25 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
26 on and after January 1, 1990, or \$5 per calendar year,

1     whichever is greater, which is allowed to reimburse the  
2     retailer for the expenses incurred in keeping records,  
3     preparing and filing returns, remitting the tax and supplying  
4     data to the Department on request. On and after January 1,  
5     2021, a certified service provider, as defined in the Leveling  
6     the Playing Field for Illinois Retail Act, filing the return  
7     under this Section on behalf of a remote retailer shall, at the  
8     time of such return, pay to the Department the amount of tax  
9     imposed by this Act less a discount of 1.75%. A remote retailer  
10    using a certified service provider to file a return on its  
11    behalf, as provided in the Leveling the Playing Field for  
12    Illinois Retail Act, is not eligible for the discount.  
13    Beginning with returns due on or after January 1, 2025, the  
14    vendor's discount allowed in this Section, the Service  
15    Occupation Tax Act, the Use Tax Act, and the Service Use Tax  
16    Act, including any local tax administered by the Department  
17    and reported on the same return, shall not exceed \$1,000 per  
18    month in the aggregate for returns other than transaction  
19    returns filed during the month. When determining the discount  
20    allowed under this Section, retailers shall include the amount  
21    of tax that would have been due at the 1% rate but for the 0%  
22    rate imposed under Public Act 102-700. When determining the  
23    discount allowed under this Section, retailers shall include  
24    the amount of tax that would have been due at the 6.25% rate  
25    but for the 1.25% rate imposed on sales tax holiday items under  
26    Public Act 102-700. The discount under this Section is not

1 allowed for the 1.25% portion of taxes paid on aviation fuel  
2 that is subject to the revenue use requirements of 49 U.S.C.  
3 47107(b) and 49 U.S.C. 47133. Any prepayment made pursuant to  
4 Section 2d of this Act shall be included in the amount on which  
5 such ~~2.1% or 1.75%~~ discount is computed. In the case of  
6 retailers who report and pay the tax on a transaction by  
7 transaction basis, as provided in this Section, such discount  
8 shall be taken with each such tax remittance instead of when  
9 such retailer files his periodic return, but, beginning with  
10 returns due on or after January 1, 2025, the vendor's discount  
11 allowed under this Section and the Use Tax Act, including any  
12 local tax administered by the Department and reported on the  
13 same transaction return, shall not exceed \$1,000 per month for  
14 all transaction returns filed during the month. The discount  
15 allowed under this Section is allowed only for returns that  
16 are filed in the manner required by this Act. The Department  
17 may disallow the discount for retailers whose certificate of  
18 registration is revoked at the time the return is filed, but  
19 only if the Department's decision to revoke the certificate of  
20 registration has become final.

21 Before October 1, 2000, if the taxpayer's average monthly  
22 tax liability to the Department under this Act, the Use Tax  
23 Act, the Service Occupation Tax Act, and the Service Use Tax  
24 Act, excluding any liability for prepaid sales tax to be  
25 remitted in accordance with Section 2d of this Act, was  
26 \$10,000 or more during the preceding 4 complete calendar

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

1 equal to 22.5% of the taxpayer's actual liability for the  
2 month or 27.5% of the taxpayer's liability for the same  
3 calendar month of the preceding year. If the month during  
4 which such tax liability is incurred begins on or after  
5 January 1, 1987 and prior to January 1, 1988, each payment  
6 shall be in an amount equal to 22.5% of the taxpayer's actual  
7 liability for the month or 26.25% of the taxpayer's liability  
8 for the same calendar month of the preceding year. If the month  
9 during which such tax liability is incurred begins on or after  
10 January 1, 1988, and prior to January 1, 1989, or begins on or  
11 after January 1, 1996, each payment shall be in an amount equal  
12 to 22.5% of the taxpayer's actual liability for the month or  
13 25% of the taxpayer's liability for the same calendar month of  
14 the preceding year. If the month during which such tax  
15 liability is incurred begins on or after January 1, 1989, and  
16 prior to January 1, 1996, each payment shall be in an amount  
17 equal to 22.5% of the taxpayer's actual liability for the  
18 month or 25% of the taxpayer's liability for the same calendar  
19 month of the preceding year or 100% of the taxpayer's actual  
20 liability for the quarter monthly reporting period. The amount  
21 of such quarter monthly payments shall be credited against the  
22 final tax liability of the taxpayer's return for that month.  
23 Before October 1, 2000, once applicable, the requirement of  
24 the making of quarter monthly payments to the Department by  
25 taxpayers having an average monthly tax liability of \$10,000  
26 or more as determined in the manner provided above shall



1 continue until such taxpayer's average monthly liability to  
2 the Department during the preceding 4 complete calendar  
3 quarters (excluding the month of highest liability and the  
4 month of lowest liability) is less than \$9,000, or until such  
5 taxpayer's average monthly liability to the Department as  
6 computed for each calendar quarter of the 4 preceding complete  
7 calendar quarter period is less than \$10,000. However, if a  
8 taxpayer can show the Department that a substantial change in  
9 the taxpayer's business has occurred which causes the taxpayer  
10 to anticipate that his average monthly tax liability for the  
11 reasonably foreseeable future will fall below the \$10,000  
12 threshold stated above, then such taxpayer may petition the  
13 Department for a change in such taxpayer's reporting status.  
14 On and after October 1, 2000, once applicable, the requirement  
15 of the making of quarter monthly payments to the Department by  
16 taxpayers having an average monthly tax liability of \$20,000  
17 or more as determined in the manner provided above 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 \$19,000 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 \$20,000. 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 \$20,000  
3 threshold stated above, then such taxpayer may petition the  
4 Department for a change in such taxpayer's reporting status.  
5 The Department shall change such taxpayer's reporting status  
6 unless it finds that such change is seasonal in nature and not  
7 likely to be long term. Quarter monthly payment status shall  
8 be determined under this paragraph as if the rate reduction to  
9 0% in Public Act 102-700 on food for human consumption that is  
10 to be consumed off the premises where it is sold (other than  
11 alcoholic beverages, food consisting of or infused with adult  
12 use cannabis, soft drinks, and food that has been prepared for  
13 immediate consumption) had not occurred. For quarter monthly  
14 payments due under this paragraph on or after July 1, 2023 and  
15 through June 30, 2024, "25% of the taxpayer's liability for  
16 the same calendar month of the preceding year" shall be  
17 determined as if the rate reduction to 0% in Public Act 102-700  
18 had not occurred. Quarter monthly payment status shall be  
19 determined under this paragraph as if the rate reduction to  
20 1.25% in Public Act 102-700 on sales tax holiday items had not  
21 occurred. For quarter monthly payments due on or after July 1,  
22 2023 and through June 30, 2024, "25% of the taxpayer's  
23 liability for the same calendar month of the preceding year"  
24 shall be determined as if the rate reduction to 1.25% in Public  
25 Act 102-700 on sales tax holiday items had not occurred. If any  
26 such quarter monthly payment is not paid at the time or in the

1 amount required by this Section, then the taxpayer shall be  
2 liable for penalties and interest on the difference between  
3 the minimum amount due as a payment and the amount of such  
4 quarter monthly payment actually and timely paid, except  
5 insofar as the taxpayer has previously made payments for that  
6 month to the Department in excess of the minimum payments  
7 previously due as provided in this Section. The Department  
8 shall make reasonable rules and regulations to govern the  
9 quarter monthly payment amount and quarter monthly payment  
10 dates for taxpayers who file on other than a calendar monthly  
11 basis.

12 The provisions of this paragraph apply before October 1,  
13 2001. Without regard to whether a taxpayer is required to make  
14 quarter monthly payments as specified above, any taxpayer who  
15 is required by Section 2d of this Act to collect and remit  
16 prepaid taxes and has collected prepaid taxes which average in  
17 excess of \$25,000 per month during the preceding 2 complete  
18 calendar quarters, shall file a return with the Department as  
19 required by Section 2f and shall make payments to the  
20 Department on or before the 7th, 15th, 22nd and last day of the  
21 month during which such liability is incurred. If the month  
22 during which such tax liability is incurred began prior to  
23 September 1, 1985 (the effective date of Public Act 84-221),  
24 each payment shall be in an amount not less than 22.5% of the  
25 taxpayer's actual liability under Section 2d. If the month  
26 during which such tax liability is incurred begins on or after

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

22 The provisions of this paragraph apply on and after  
23 October 1, 2001. Without regard to whether a taxpayer is  
24 required to make quarter monthly payments as specified above,  
25 any taxpayer who is required by Section 2d of this Act to  
26 collect and remit prepaid taxes and has collected prepaid

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

26 If any payment provided for in this Section exceeds the

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

23 If a retailer of motor fuel is entitled to a credit under  
24 Section 2d of this Act which exceeds the taxpayer's liability  
25 to the Department under this Act for the month for which the  
26 taxpayer is filing a return, the Department shall issue the

1 taxpayer a credit memorandum for the excess.

2 Beginning January 1, 1990, each month the Department shall  
3 pay into the Local Government Tax Fund, a special fund in the  
4 State treasury which is hereby created, the net revenue  
5 realized for the preceding month from the 1% tax imposed under  
6 this Act.

7 Beginning January 1, 1990, each month the Department shall  
8 pay into the County and Mass Transit District Fund, a special  
9 fund in the State treasury which is hereby created, 4% of the  
10 net revenue realized for the preceding month from the 6.25%  
11 general rate other than aviation fuel sold on or after  
12 December 1, 2019. This exception for aviation fuel only  
13 applies for so long as the revenue use requirements of 49  
14 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

15 Beginning August 1, 2000, each month the Department shall  
16 pay into the County and Mass Transit District Fund 20% of the  
17 net revenue realized for the preceding month from the 1.25%  
18 rate on the selling price of motor fuel and gasohol. If, in any  
19 month, the tax on sales tax holiday items, as defined in  
20 Section 2-8, is imposed at the rate of 1.25%, then the  
21 Department shall pay 20% of the net revenue realized for that  
22 month from the 1.25% rate on the selling price of sales tax  
23 holiday items into the County and Mass Transit District Fund.

24 Beginning January 1, 1990, each month the Department shall  
25 pay into the Local Government Tax Fund 16% of the net revenue  
26 realized for the preceding month from the 6.25% general rate

1 on the selling price of tangible personal property other than  
2 aviation fuel sold on or after December 1, 2019. This  
3 exception for aviation fuel only applies for so long as the  
4 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
5 47133 are binding on the State.

6 For aviation fuel sold on or after December 1, 2019, each  
7 month the Department shall pay into the State Aviation Program  
8 Fund 20% of the net revenue realized for the preceding month  
9 from the 6.25% general rate on the selling price of aviation  
10 fuel, less an amount estimated by the Department to be  
11 required for refunds of the 20% portion of the tax on aviation  
12 fuel under this Act, which amount shall be deposited into the  
13 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
14 pay moneys into the State Aviation Program Fund and the  
15 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
16 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
17 U.S.C. 47133 are binding on the State.

18 Beginning August 1, 2000, each month the Department shall  
19 pay into the Local Government Tax Fund 80% of the net revenue  
20 realized for the preceding month from the 1.25% rate on the  
21 selling price of motor fuel and gasohol. If, in any month, the  
22 tax on sales tax holiday items, as defined in Section 2-8, is  
23 imposed at the rate of 1.25%, then the Department shall pay 80%  
24 of the net revenue realized for that month from the 1.25% rate  
25 on the selling price of sales tax holiday items into the Local  
26 Government Tax Fund.



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 Use Tax Act shall not exceed \$2,000,000 in any  
16 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 Use Tax Act, the Service Use Tax  
20 Act, and the Service Occupation Tax Act an amount equal to the  
21 average monthly deficit in the Underground Storage Tank Fund  
22 during the prior year, as certified annually by the Illinois  
23 Environmental Protection Agency, but the total payment into  
24 the Underground Storage Tank Fund under this Act, the Use Tax  
25 Act, the Service Use Tax Act, and the Service Occupation Tax  
26 Act shall not exceed \$18,000,000 in any State fiscal year. As

1 used in this paragraph, the "average monthly deficit" shall be  
2 equal to the difference between the average monthly claims for  
3 payment by the fund and the average monthly revenues deposited  
4 into the fund, excluding payments made pursuant to this  
5 paragraph.

6 Beginning July 1, 2015, of the remainder of the moneys  
7 received by the Department under the Use Tax Act, the Service  
8 Use Tax Act, the Service Occupation Tax Act, and this Act, each  
9 month the Department shall deposit \$500,000 into the State  
10 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 this Act,  
19 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax  
20 Act, and Section 9 of the Service Occupation Tax Act, such Acts  
21 being hereinafter called the "Tax Acts" and such aggregate of  
22 2.2% or 3.8%, as the case may be, of moneys being hereinafter  
23 called the "Tax Act Amount", and (2) the amount transferred to  
24 the Build Illinois Fund from the State and Local Sales Tax  
25 Reform Fund shall be less than the Annual Specified Amount (as  
26 hereinafter defined), an amount equal to the difference shall

1 be immediately paid into the Build Illinois Fund from other  
2 moneys received by the Department pursuant to the Tax Acts;  
3 the "Annual Specified Amount" means the amounts specified  
4 below for fiscal years 1986 through 1993:

5	Fiscal Year	Annual Specified Amount
6	1986	\$54,800,000
7	1987	\$76,650,000
8	1988	\$80,480,000
9	1989	\$88,510,000
10	1990	\$115,330,000
11	1991	\$145,470,000
12	1992	\$182,730,000
13	1993	\$206,520,000;

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

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

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

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000

1	1996	61,000,000
2	1997	64,000,000
3	1998	68,000,000
4	1999	71,000,000
5	2000	75,000,000
6	2001	80,000,000
7	2002	93,000,000
8	2003	99,000,000
9	2004	103,000,000
10	2005	108,000,000
11	2006	113,000,000
12	2007	119,000,000
13	2008	126,000,000
14	2009	132,000,000
15	2010	139,000,000
16	2011	146,000,000
17	2012	153,000,000
18	2013	161,000,000
19	2014	170,000,000
20	2015	179,000,000
21	2016	189,000,000
22	2017	199,000,000
23	2018	210,000,000
24	2019	221,000,000
25	2020	233,000,000
26	2021	300,000,000

1	2022	300,000,000
2	2023	300,000,000
3	2024	300,000,000
4	2025	300,000,000
5	2026	300,000,000
6	2027	375,000,000
7	2028	375,000,000
8	2029	375,000,000
9	2030	375,000,000
10	2031	375,000,000
11	2032	375,000,000
12	2033	375,000,000
13	2034	375,000,000
14	2035	375,000,000
15	2036	450,000,000

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

24                   Beginning July 20, 1993 and in each month of each fiscal  
25                   year thereafter, one-eighth of the amount requested in the  
26                   certificate of the Chairman of the Metropolitan Pier and

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

11 Subject to payment of amounts into the Capital Projects  
12 Fund, the Clean Air Act Permit Fund, 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, for aviation fuel sold on or after December 1, 2019,  
16 the Department shall each month deposit into the Aviation Fuel  
17 Sales Tax Refund Fund an amount estimated by the Department to  
18 be required for refunds of the 80% portion of the tax on  
19 aviation fuel under this Act. The Department shall only  
20 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
21 under this paragraph for so long as the revenue use  
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
23 binding on the State.

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



1 enacted, beginning July 1, 1993 and ending on September 30,  
2 2013, the Department shall each month pay into the Illinois  
3 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
4 the preceding month from the 6.25% general rate on the selling  
5 price of tangible personal property.

6 Subject to payment of amounts into the Build Illinois  
7 Fund, the McCormick Place Expansion Project Fund, and the  
8 Illinois Tax Increment Fund pursuant to the preceding  
9 paragraphs or in any amendments to this Section hereafter  
10 enacted, beginning on the first day of the first calendar  
11 month to occur on or after August 26, 2014 (the effective date  
12 of Public Act 98-1098), each month, from the collections made  
13 under Section 9 of the Use Tax Act, Section 9 of the Service  
14 Use Tax Act, Section 9 of the Service Occupation Tax Act, and  
15 Section 3 of the Retailers' Occupation Tax Act, the Department  
16 shall pay into the Tax Compliance and Administration Fund, to  
17 be used, subject to appropriation, to fund additional auditors  
18 and compliance personnel at the Department of Revenue, an  
19 amount equal to  $1/12$  of 5% of 80% of the cash receipts  
20 collected during the preceding fiscal year by the Audit Bureau  
21 of the Department under the Use Tax Act, the Service Use Tax  
22 Act, the Service Occupation Tax Act, the Retailers' Occupation  
23 Tax Act, and associated local occupation and use taxes  
24 administered by the Department.

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

1 Tax Increment Fund, the Energy Infrastructure Fund, and the  
2 Tax Compliance and Administration Fund as provided in this  
3 Section, beginning on July 1, 2018 the Department shall pay  
4 each month into the Downstate Public Transportation Fund the  
5 moneys required to be so paid under Section 2-3 of the  
6 Downstate Public Transportation Act.

7 Subject to successful execution and delivery of a  
8 public-private agreement between the public agency and private  
9 entity and completion of the civic build, beginning on July 1,  
10 2023, of the remainder of the moneys received by the  
11 Department under the Use Tax Act, the Service Use Tax Act, the  
12 Service Occupation Tax Act, and this Act, the Department shall  
13 deposit the following specified deposits in the aggregate from  
14 collections under the Use Tax Act, the Service Use Tax Act, the  
15 Service Occupation Tax Act, and the Retailers' Occupation Tax  
16 Act, as required under Section 8.25g of the State Finance Act  
17 for distribution consistent with the Public-Private  
18 Partnership for Civic and Transit Infrastructure Project Act.  
19 The moneys received by the Department pursuant to this Act and  
20 required to be deposited into the Civic and Transit  
21 Infrastructure Fund are subject to the pledge, claim and  
22 charge set forth in Section 25-55 of the Public-Private  
23 Partnership for Civic and Transit Infrastructure Project Act.  
24 As used in this paragraph, "civic build", "private entity",  
25 "public-private agreement", and "public agency" have the  
26 meanings provided in Section 25-10 of the Public-Private

1 Partnership for Civic and Transit Infrastructure Project Act.

2	Fiscal Year.....	Total Deposit
3	2024 .....	\$200,000,000
4	2025 .....	\$206,000,000
5	2026 .....	\$212,200,000
6	2027 .....	\$218,500,000
7	2028 .....	\$225,100,000
8	2029 .....	\$288,700,000
9	2030 .....	\$298,900,000
10	2031 .....	\$309,300,000
11	2032 .....	\$320,100,000
12	2033 .....	\$331,200,000
13	2034 .....	\$341,200,000
14	2035 .....	\$351,400,000
15	2036 .....	\$361,900,000
16	2037 .....	\$372,800,000
17	2038 .....	\$384,000,000
18	2039 .....	\$395,500,000
19	2040 .....	\$407,400,000
20	2041 .....	\$419,600,000
21	2042 .....	\$432,200,000
22	2043 .....	\$445,100,000

23 Beginning July 1, 2021 and until July 1, 2022, subject to  
 24 the payment of amounts into the County and Mass Transit  
 25 District Fund, the Local Government Tax 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 16% of the net revenue realized from  
5 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
6 2022 and until July 1, 2023, subject to the payment of amounts  
7 into the County and Mass Transit District Fund, the Local  
8 Government Tax Fund, the Build Illinois Fund, the McCormick  
9 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
10 and the Tax Compliance and Administration Fund as provided in  
11 this Section, the Department shall pay each month into the  
12 Road Fund the amount estimated to represent 32% of the net  
13 revenue realized from the taxes imposed on motor fuel and  
14 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
15 subject to the payment of amounts into the County and Mass  
16 Transit District Fund, the Local Government Tax Fund, the  
17 Build Illinois Fund, the McCormick Place Expansion Project  
18 Fund, the Illinois Tax Increment Fund, and the Tax Compliance  
19 and Administration Fund as provided in this Section, the  
20 Department shall pay each month into the Road Fund the amount  
21 estimated to represent 48% of the net revenue realized from  
22 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
23 2024 and until July 1, 2025, subject to the payment of amounts  
24 into the County and Mass Transit District Fund, the Local  
25 Government Tax Fund, the Build Illinois Fund, the McCormick  
26 Place Expansion Project Fund, the Illinois Tax Increment Fund,

1 and the Tax Compliance and Administration Fund as provided in  
2 this Section, the Department shall pay each month into the  
3 Road Fund the amount estimated to represent 64% of the net  
4 revenue realized from the taxes imposed on motor fuel and  
5 gasohol. Beginning on July 1, 2025, subject to the payment of  
6 amounts into the County and Mass Transit District Fund, the  
7 Local Government Tax Fund, the Build Illinois Fund, the  
8 McCormick Place Expansion Project Fund, the Illinois Tax  
9 Increment Fund, and the Tax Compliance and Administration Fund  
10 as provided in this Section, the Department shall pay each  
11 month into the Road Fund the amount estimated to represent 80%  
12 of the net revenue realized from the taxes imposed on motor  
13 fuel and gasohol. As used in this paragraph "motor fuel" has  
14 the meaning given to that term in Section 1.1 of the Motor Fuel  
15 Tax Law, and "gasohol" has the meaning given to that term in  
16 Section 3-40 of the Use Tax Act.

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

23 The Department may, upon separate written notice to a  
24 taxpayer, require the taxpayer to prepare and file with the  
25 Department on a form prescribed by the Department within not  
26 less than 60 days after receipt of the notice an annual

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

21 If the annual information return required by this Section  
22 is not filed when and as required, the taxpayer shall be liable  
23 as follows:

24 (i) Until January 1, 1994, the taxpayer shall be  
25 liable for a penalty equal to 1/6 of 1% of the tax due from  
26 such taxpayer under this Act during the period to be

1 covered by the annual return for each month or fraction of  
2 a month until such return is filed as required, the  
3 penalty to be assessed and collected in the same manner as  
4 any other penalty provided for in this Act.

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

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

16 The provisions of this Section concerning the filing of an  
17 annual information return do not apply to a retailer who is not  
18 required to file an income tax return with the United States  
19 Government.

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

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

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

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



1 this Section commits a business offense and is subject to a  
2 fine not to exceed \$250.

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

23 (Source: P.A. 102-634, eff. 8-27-21; 102-700, Article 60,  
24 Section 60-30, eff. 4-19-22; 102-700, Article 65, Section  
25 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.  
26 1-1-23; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-363,

1 eff. 7-28-23; revised 9-27-23.)

2 Section 110-25. The Prepaid Wireless 9-1-1 Surcharge Act  
3 is amended by changing Section 20 as follows:

4 (50 ILCS 753/20)

5 Sec. 20. Administration of prepaid wireless 9-1-1  
6 surcharge.

7 (a) In the administration and enforcement of this Act, the  
8 provisions of Sections 2a, 2b, 2c, 3, 4, 5, 5a, 5b, 5c, 5d, 5e,  
9 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, and 12 of the  
10 Retailers' Occupation Tax Act that are not inconsistent with  
11 this Act, and Section 3-7 of the Uniform Penalty and Interest  
12 Act shall apply, as far as practicable, to the subject matter  
13 of this Act to the same extent as if those provisions were  
14 included in this Act. References to "taxes" in these  
15 incorporated Sections shall be construed to apply to the  
16 administration, payment, and remittance of all surcharges  
17 under this Act. The Department shall establish registration  
18 and payment procedures that substantially coincide with the  
19 registration and payment procedures that apply to the  
20 Retailers' Occupation Tax Act.

21 (b) A seller shall be permitted to deduct and retain 3% of  
22 prepaid wireless 9-1-1 surcharges that are collected by the  
23 seller from consumers and that are remitted and timely filed  
24 with the Department. Beginning with returns due on or after

1 January 1, 2025, the 3% deduction allowed under this  
2 subsection, including any local surcharge administered by the  
3 Department and reported on the same return, shall not exceed  
4 \$1,000 per month. Beginning January 1, 2018, the seller is  
5 allowed to deduct and retain a portion of the prepaid wireless  
6 9-1-1 surcharges as authorized by this subsection only if the  
7 return is filed electronically as provided in Section 3 of the  
8 Retailers' Occupation Tax Act. Sellers who demonstrate that  
9 they do not have access to the Internet or demonstrate  
10 hardship in filing electronically may petition the Department  
11 to waive the electronic filing requirement.

12 (c) Other than the amounts for deposit into the Municipal  
13 Wireless Service Emergency Fund, the Department shall pay to  
14 the State Treasurer all prepaid wireless E911 charges,  
15 penalties, and interest collected under this Act for deposit  
16 into the Statewide 9-1-1 Fund. On or before the 25th day of  
17 each calendar month, the Department shall prepare and certify  
18 to the Comptroller the amount available to the Illinois State  
19 Police for distribution out of the Statewide 9-1-1 Fund. The  
20 amount certified shall be the amount (not including credit  
21 memoranda) collected during the second preceding calendar  
22 month by the Department plus an amount the Department  
23 determines is necessary to offset any amounts which were  
24 erroneously paid to a different taxing body. The amount paid  
25 to the Statewide 9-1-1 Fund shall not include any amount equal  
26 to the amount of refunds made during the second preceding

1 calendar month by the Department of Revenue to retailers under  
2 this Act or any amount that the Department determines is  
3 necessary to offset any amounts which were payable to a  
4 different taxing body but were erroneously paid to the  
5 Statewide 9-1-1 Fund. The Illinois State Police shall  
6 distribute the funds in accordance with Section 30 of the  
7 Emergency Telephone Safety Act. The Department may deduct an  
8 amount, not to exceed 2% of remitted charges, to be  
9 transferred into the Tax Compliance and Administration Fund to  
10 reimburse the Department for its direct costs of administering  
11 the collection and remittance of prepaid wireless 9-1-1  
12 surcharges.

13 (d) The Department shall administer the collection of all  
14 9-1-1 surcharges and may adopt and enforce reasonable rules  
15 relating to the administration and enforcement of the  
16 provisions of this Act as may be deemed expedient. The  
17 Department shall require all surcharges collected under this  
18 Act to be reported on existing forms or combined forms,  
19 including, but not limited to, Form ST-1. Any overpayments  
20 received by the Department for liabilities reported on  
21 existing or combined returns shall be applied as an  
22 overpayment of retailers' occupation tax, use tax, service  
23 occupation tax, or service use tax liability.

24 (e) If a home rule municipality having a population in  
25 excess of 500,000 as of the effective date of this amendatory  
26 Act of the 97th General Assembly imposes an E911 surcharge

1 under subsection (a-5) of Section 15 of this Act, then the  
2 Department shall pay to the State Treasurer all prepaid  
3 wireless E911 charges, penalties, and interest collected for  
4 deposit into the Municipal Wireless Service Emergency Fund.  
5 All deposits into the Municipal Wireless Service Emergency  
6 Fund shall be held by the State Treasurer as ex officio  
7 custodian apart from all public moneys or funds of this State.  
8 Any interest attributable to moneys in the Fund must be  
9 deposited into the Fund. Moneys in the Municipal Wireless  
10 Service Emergency Fund are not subject to appropriation. On or  
11 before the 25th day of each calendar month, the Department  
12 shall prepare and certify to the Comptroller the amount  
13 available for disbursement to the home rule municipality out  
14 of the Municipal Wireless Service Emergency Fund. The amount  
15 to be paid to the Municipal Wireless Service Emergency Fund  
16 shall be the amount (not including credit memoranda) collected  
17 during the second preceding calendar month by the Department  
18 plus an amount the Department determines is necessary to  
19 offset any amounts which were erroneously paid to a different  
20 taxing body. The amount paid to the Municipal Wireless Service  
21 Emergency Fund shall not include any amount equal to the  
22 amount of refunds made during the second preceding calendar  
23 month by the Department to retailers under this Act or any  
24 amount that the Department determines is necessary to offset  
25 any amounts which were payable to a different taxing body but  
26 were erroneously paid to the Municipal Wireless Service

1 Emergency Fund. Within 10 days after receipt by the  
2 Comptroller of the certification provided for in this  
3 subsection, the Comptroller shall cause the orders to be drawn  
4 for the respective amounts in accordance with the directions  
5 in the certification. The Department may deduct an amount, not  
6 to exceed 2% of remitted charges, to be transferred into the  
7 Tax Compliance and Administration Fund to reimburse the  
8 Department for its direct costs of administering the  
9 collection and remittance of prepaid wireless 9-1-1  
10 surcharges.

11 (Source: P.A. 102-538, eff. 8-20-21.)

12 ARTICLE 115.

13 Section 115-5. The Business Corporation Act of 1983 is  
14 amended by changing Sections 15.35 and 15.65 as follows:

15 (805 ILCS 5/15.35) (from Ch. 32, par. 15.35)

16 (Text of Section from P.A. 102-16 and 103-8)

17 Sec. 15.35. Franchise taxes payable by domestic  
18 corporations. For the privilege of exercising its franchises  
19 in this State, each domestic corporation shall pay to the  
20 Secretary of State the following franchise taxes, computed on  
21 the basis, at the rates and for the periods prescribed in this  
22 Act:

23 (a) An initial franchise tax at the time of filing its

1 first report of issuance of shares.

2 (b) An additional franchise tax at the time of filing  
3 (1) a report of the issuance of additional shares, or (2) a  
4 report of an increase in paid-in capital without the  
5 issuance of shares, or (3) an amendment to the articles of  
6 incorporation or a report of cumulative changes in paid-in  
7 capital, whenever any amendment or such report discloses  
8 an increase in its paid-in capital over the amount thereof  
9 last reported in any document, other than an annual  
10 report, interim annual report or final transition annual  
11 report required by this Act to be filed in the office of  
12 the Secretary of State.

13 (c) An additional franchise tax at the time of filing  
14 a report of paid-in capital following a statutory merger  
15 or consolidation, which discloses that the paid-in capital  
16 of the surviving or new corporation immediately after the  
17 merger or consolidation is greater than the sum of the  
18 paid-in capital of all of the merged or consolidated  
19 corporations as last reported by them in any documents,  
20 other than annual reports, required by this Act to be  
21 filed in the office of the Secretary of State; and in  
22 addition, the surviving or new corporation shall be liable  
23 for a further additional franchise tax on the paid-in  
24 capital of each of the merged or consolidated corporations  
25 as last reported by them in any document, other than an  
26 annual report, required by this Act to be filed with the

1 Secretary of State from their taxable year end to the next  
2 succeeding anniversary month or, in the case of a  
3 corporation which has established an extended filing  
4 month, the extended filing month of the surviving or new  
5 corporation; however if the taxable year ends within the  
6 2-month period immediately preceding the anniversary month  
7 or, in the case of a corporation which has established an  
8 extended filing month, the extended filing month of the  
9 surviving or new corporation the tax will be computed to  
10 the anniversary month or, in the case of a corporation  
11 which has established an extended filing month, the  
12 extended filing month of the surviving or new corporation  
13 in the next succeeding calendar year.

14 (d) An annual franchise tax payable each year with the  
15 annual report which the corporation is required by this  
16 Act to file.

17 On or after January 1, 2020 and prior to January 1, 2021,  
18 the first \$30 in liability is exempt from the tax imposed under  
19 this Section. On or after January 1, 2021, and prior to January  
20 1, 2024, the first \$1,000 in liability is exempt from the tax  
21 imposed under this Section. On or after January 1, 2024, and  
22 before January 1, 2025, the first \$5,000 in liability is  
23 exempt from the tax imposed under this Section. On and after  
24 January 1, 2025, the first \$10,000 in liability is exempt from  
25 the tax imposed under this Section.

26 (Source: P.A. 102-16, eff. 6-17-21; 103-8, eff. 6-7-23.)



1 (Text of Section from P.A. 102-282, 102-558, and 103-8)

2 Sec. 15.35. Franchise taxes payable by domestic  
3 corporations. For the privilege of exercising its franchises  
4 in this State, each domestic corporation shall pay to the  
5 Secretary of State the following franchise taxes, computed on  
6 the basis, at the rates and for the periods prescribed in this  
7 Act:

8 (a) An initial franchise tax at the time of filing its  
9 first report of issuance of shares.

10 (b) An additional franchise tax at the time of filing  
11 (1) a report of the issuance of additional shares, or (2) a  
12 report of an increase in paid-in capital without the  
13 issuance of shares, or (3) an amendment to the articles of  
14 incorporation or a report of cumulative changes in paid-in  
15 capital, whenever any amendment or such report discloses  
16 an increase in its paid-in capital over the amount thereof  
17 last reported in any document, other than an annual  
18 report, interim annual report or final transition annual  
19 report required by this Act to be filed in the office of  
20 the Secretary of State.

21 (c) An additional franchise tax at the time of filing  
22 a report of paid-in capital following a statutory merger  
23 or consolidation, which discloses that the paid-in capital  
24 of the surviving or new corporation immediately after the  
25 merger or consolidation is greater than the sum of the

1       paid-in capital of all of the merged or consolidated  
2       corporations as last reported by them in any documents,  
3       other than annual reports, required by this Act to be  
4       filed in the office of the Secretary of State; and in  
5       addition, the surviving or new corporation shall be liable  
6       for a further additional franchise tax on the paid-in  
7       capital of each of the merged or consolidated corporations  
8       as last reported by them in any document, other than an  
9       annual report, required by this Act to be filed with the  
10      Secretary of State from their taxable year end to the next  
11      succeeding anniversary month or, in the case of a  
12      corporation which has established an extended filing  
13      month, the extended filing month of the surviving or new  
14      corporation; however if the taxable year ends within the  
15      2-month period immediately preceding the anniversary month  
16      or, in the case of a corporation which has established an  
17      extended filing month, the extended filing month of the  
18      surviving or new corporation the tax will be computed to  
19      the anniversary month or, in the case of a corporation  
20      which has established an extended filing month, the  
21      extended filing month of the surviving or new corporation  
22      in the next succeeding calendar year.

23           (d) An annual franchise tax payable each year with the  
24      annual report which the corporation is required by this  
25      Act to file.

26      On or after January 1, 2020 and prior to January 1, 2021,

1 the first \$30 in liability is exempt from the tax imposed under  
2 this Section. On or after January 1, 2021 and prior to January  
3 1, 2024, the first \$1,000 in liability is exempt from the tax  
4 imposed under this Section. On or after January 1, 2024, and  
5 before January 1, 2025, the first \$5,000 in liability is  
6 exempt from the tax imposed under this Section. On and after  
7 January 1, 2025, the first \$10,000 in liability is exempt from  
8 the tax imposed under this Section.

9 (Source: P.A. 102-282, eff. 1-1-22; 102-558, eff. 8-20-21;  
10 103-8, eff. 6-7-23.)

11 (805 ILCS 5/15.65) (from Ch. 32, par. 15.65)

12 Sec. 15.65. Franchise taxes payable by foreign  
13 corporations. For the privilege of exercising its authority to  
14 transact such business in this State as set out in its  
15 application therefor or any amendment thereto, each foreign  
16 corporation shall pay to the Secretary of State the following  
17 franchise taxes, computed on the basis, at the rates and for  
18 the periods prescribed in this Act:

19 (a) An initial franchise tax at the time of filing its  
20 application for authority to transact business in this  
21 State.

22 (b) An additional franchise tax at the time of filing  
23 (1) a report of the issuance of additional shares, or (2) a  
24 report of an increase in paid-in capital without the  
25 issuance of shares, or (3) a report of cumulative changes

1 in paid-in capital or a report of an exchange or  
2 reclassification of shares, whenever any such report  
3 discloses an increase in its paid-in capital over the  
4 amount thereof last reported in any document, other than  
5 an annual report, interim annual report or final  
6 transition annual report, required by this Act to be filed  
7 in the office of the Secretary of State.

8 (c) Whenever the corporation shall be a party to a  
9 statutory merger and shall be the surviving corporation,  
10 an additional franchise tax at the time of filing its  
11 report following merger, if such report discloses that the  
12 amount represented in this State of its paid-in capital  
13 immediately after the merger is greater than the aggregate  
14 of the amounts represented in this State of the paid-in  
15 capital of such of the merged corporations as were  
16 authorized to transact business in this State at the time  
17 of the merger, as last reported by them in any documents,  
18 other than annual reports, required by this Act to be  
19 filed in the office of the Secretary of State; and in  
20 addition, the surviving corporation shall be liable for a  
21 further additional franchise tax on the paid-in capital of  
22 each of the merged corporations as last reported by them  
23 in any document, other than an annual report, required by  
24 this Act to be filed with the Secretary of State, from  
25 their taxable year end to the next succeeding anniversary  
26 month or, in the case of a corporation which has

1 established an extended filing month, the extended filing  
2 month of the surviving corporation; however if the taxable  
3 year ends within the 2-month period immediately preceding  
4 the anniversary month or the extended filing month of the  
5 surviving corporation, the tax will be computed to the  
6 anniversary or, extended filing month of the surviving  
7 corporation in the next succeeding calendar year.

8 (d) An annual franchise tax payable each year with any  
9 annual report which the corporation is required by this  
10 Act to file.

11 On or after January 1, 2020 and prior to January 1, 2021,  
12 the first \$30 in liability is exempt from the tax imposed under  
13 this Section. On or after January 1, 2021 and before January 1,  
14 2024, the first \$1,000 in liability is exempt from the tax  
15 imposed under this Section. On and after January 1, 2024 and  
16 before January 1, 2025, the first \$5,000 in liability is  
17 exempt from the tax imposed under this Section. On and after  
18 January 1, 2025, the first \$10,000 in liability is exempt from  
19 the tax imposed under this Section.

20 (Source: P.A. 101-9, eff. 6-5-19; 102-16, eff. 6-17-21;  
21 102-558, eff. 8-20-21; 102-813, eff. 5-13-22.)

22 ARTICLE 120.

23 Section 120-5. The Sports Wagering Act is amended by  
24 changing Section 25-90 as follows:

1 (230 ILCS 45/25-90)

2 Sec. 25-90. Tax; Sports Wagering Fund.

3 (a) For the privilege of holding a license to operate  
4 sports wagering under this Act until June 30, 2024, this State  
5 shall impose and collect 15% of a master sports wagering  
6 licensee's adjusted gross sports wagering receipts from sports  
7 wagering. The accrual method of accounting shall be used for  
8 purposes of calculating the amount of the tax owed by the  
9 licensee.

10 The taxes levied and collected pursuant to this subsection  
11 (a) are due and payable to the Board no later than the last day  
12 of the month following the calendar month in which the  
13 adjusted gross sports wagering receipts were received and the  
14 tax obligation was accrued.

15 (a-5) In addition to the tax imposed under subsection (a)  
16 of this Section, for the privilege of holding a license to  
17 operate sports wagering under this Act, the State shall impose  
18 and collect 2% of the adjusted gross receipts from sports  
19 wagers that are placed within a home rule county with a  
20 population of over 3,000,000 inhabitants, which shall be paid,  
21 subject to appropriation from the General Assembly, from the  
22 Sports Wagering Fund to that home rule county for the purpose  
23 of enhancing the county's criminal justice system.

24 (b) The Sports Wagering Fund is hereby created as a  
25 special fund in the State treasury. Except as otherwise

1 provided in this Act, all moneys collected under this Act by  
2 the Board shall be deposited into the Sports Wagering Fund.  
3 Through August 25, 2024, on ~~on~~ the 25th of each month, any  
4 moneys remaining in the Sports Wagering Fund in excess of the  
5 anticipated monthly expenditures from the Fund through the  
6 next month, as certified by the Board to the State  
7 Comptroller, shall be transferred by the State Comptroller and  
8 the State Treasurer to the Capital Projects Fund. Beginning  
9 September 25, 2024, on the 25th of each month, of the moneys  
10 remaining in the Sports Wagering Fund in excess of the  
11 anticipated monthly expenditures from the Fund through the  
12 next month, as certified by the Board to the State  
13 Comptroller, the State Comptroller shall direct and the State  
14 Treasurer shall transfer 58% to the General Revenue Fund and  
15 42% to the Capital Projects Fund.

16 (c) Beginning with July 2021, and on a monthly basis  
17 thereafter, the Board shall certify to the State Comptroller  
18 the amount of license fees collected in the month for initial  
19 licenses issued under this Act, except for occupational  
20 licenses. As soon after certification as practicable, the  
21 State Comptroller shall direct and the State Treasurer shall  
22 transfer the certified amount from the Sports Wagering Fund to  
23 the Rebuild Illinois Projects Fund.

24 (d) Beginning on July 1, 2024, and for each 12-month  
25 period thereafter, for the privilege of holding a license to  
26 operate sports wagering under this Act, this State shall

1 impose privilege tax on the master sports licensee's adjusted  
2 gross sports wagering receipts based on the following rates:

3 20% of annual adjusted gross sports wagering receipts  
4 up to and including \$30,000,000.

5 25% of annual adjusted gross sports wagering receipts  
6 in excess of \$30,000,000 but not exceeding \$50,000,000.

7 30% of annual adjusted gross sports wagering receipts  
8 in excess of \$50,000,000 but not exceeding \$100,000,000.

9 35% of annual adjusted gross sports wagering receipts  
10 in excess of \$100,000,000 but not exceeding \$200,000,000.

11 40% of annual adjusted gross sports wagering receipts  
12 in excess of \$200,000,000.

13 The accrual method of accounting shall be used for  
14 purposes of calculating the amount of the tax owed by the  
15 licensee.

16 The taxes levied and collected pursuant to this subsection  
17 are due and payable to the Board no later than the last day of  
18 the month following the calendar month in which the adjusted  
19 gross sports wagering receipts were received and the tax  
20 obligation was accrued.

21 (e) Annually, a master sports wagering licensee shall  
22 transmit to the Board an audit of the financial transactions  
23 and condition of the licensee's total operations.  
24 Additionally, within 90 days after the end of each quarter of  
25 each fiscal year, the master sports wagering licensee shall  
26 transmit to the Board a compliance report on engagement



1 procedures determined by the Board. All audits and compliance  
2 engagements shall be conducted by certified public accountants  
3 selected by the Board. Each certified public accountant must  
4 be registered in the State of Illinois under the Illinois  
5 Public Accounting Act. The compensation for each certified  
6 public accountant shall be paid directly by the master sports  
7 wagering licensee to the certified public accountant.

8 (Source: P.A. 101-31, eff. 6-28-19; 102-16, eff. 6-17-21;  
9 102-687, eff. 12-17-21.)

10 ARTICLE 130.

11 Section 130-5. The Video Gaming Act is amended by changing  
12 Section 60 as follows:

13 (230 ILCS 40/60)

14 Sec. 60. Imposition and distribution of tax.

15 (a) A tax of 30% is imposed on net terminal income and  
16 shall be collected by the Board.

17 Of the tax collected under this subsection (a),  
18 five-sixths shall be deposited into the Capital Projects Fund  
19 and one-sixth shall be deposited into the Local Government  
20 Video Gaming Distributive Fund.

21 (b) Beginning on July 1, 2019, an additional tax of 3% is  
22 imposed on net terminal income and shall be collected by the  
23 Board.

1           Beginning on July 1, 2020, an additional tax of 1% is  
2 imposed on net terminal income and shall be collected by the  
3 Board.

4           Beginning on July 1, 2024, an additional tax of 1% is  
5 imposed on net terminal income and shall be collected by the  
6 Board.

7           The tax collected under this subsection (b) shall be  
8 deposited into the Capital Projects Fund.

9           (c) Revenues generated from the play of video gaming  
10 terminals shall be deposited by the terminal operator, who is  
11 responsible for tax payments, in a specially created, separate  
12 bank account maintained by the video gaming terminal operator  
13 to allow for electronic fund transfers of moneys for tax  
14 payment.

15           (d) Each licensed establishment, licensed truck stop  
16 establishment, licensed large truck stop establishment,  
17 licensed fraternal establishment, and licensed veterans  
18 establishment shall maintain an adequate video gaming fund,  
19 with the amount to be determined by the Board.

20           (e) The State's percentage of net terminal income shall be  
21 reported and remitted to the Board within 15 days after the  
22 15th day of each month and within 15 days after the end of each  
23 month by the video terminal operator. A video terminal  
24 operator who falsely reports or fails to report the amount due  
25 required by this Section is guilty of a Class 4 felony and is  
26 subject to termination of his or her license by the Board. Each

1 video terminal operator shall keep a record of net terminal  
2 income in such form as the Board may require. All payments not  
3 remitted when due shall be paid together with a penalty  
4 assessment on the unpaid balance at a rate of 1.5% per month.  
5 (Source: P.A. 101-31, eff. 6-28-19.)

6 ARTICLE 135.

7 Section 135-5. The Property Tax Code is amended by  
8 changing Section 15-170 as follows:

9 (35 ILCS 200/15-170)

10 Sec. 15-170. Senior citizens homestead exemption.

11 (a) An annual homestead exemption limited, except as  
12 described here with relation to cooperatives or life care  
13 facilities, to a maximum reduction set forth below from the  
14 property's value, as equalized or assessed by the Department,  
15 is granted for property that is occupied as a residence by a  
16 person 65 years of age or older who is liable for paying real  
17 estate taxes on the property and is an owner of record of the  
18 property or has a legal or equitable interest therein as  
19 evidenced by a written instrument, except for a leasehold  
20 interest, other than a leasehold interest of land on which a  
21 single family residence is located, which is occupied as a  
22 residence by a person 65 years or older who has an ownership  
23 interest therein, legal, equitable or as a lessee, and on

1 which he or she is liable for the payment of property taxes.  
2 Before taxable year 2004, the maximum reduction shall be  
3 \$2,500 in counties with 3,000,000 or more inhabitants and  
4 \$2,000 in all other counties. For taxable years 2004 through  
5 2005, the maximum reduction shall be \$3,000 in all counties.  
6 For taxable years 2006 and 2007, the maximum reduction shall  
7 be \$3,500. For taxable years 2008 through 2011, the maximum  
8 reduction is \$4,000 in all counties. For taxable year 2012,  
9 the maximum reduction is \$5,000 in counties with 3,000,000 or  
10 more inhabitants and \$4,000 in all other counties. For taxable  
11 years 2013 through 2016, the maximum reduction is \$5,000 in  
12 all counties. For taxable years 2017 through 2022, the maximum  
13 reduction is \$8,000 in counties with 3,000,000 or more  
14 inhabitants and \$5,000 in all other counties. For taxable  
15 years 2023 and thereafter, the maximum reduction is \$8,000 in  
16 counties with 3,000,000 or more inhabitants and counties that  
17 are contiguous to a county of 3,000,000 or more inhabitants  
18 and \$5,000 in all other counties.

19 (b) For land improved with an apartment building owned and  
20 operated as a cooperative, the maximum reduction from the  
21 value of the property, as equalized by the Department, shall  
22 be multiplied by the number of apartments or units occupied by  
23 a person 65 years of age or older who is liable, by contract  
24 with the owner or owners of record, for paying property taxes  
25 on the property and is an owner of record of a legal or  
26 equitable interest in the cooperative apartment building,

1 other than a leasehold interest. For land improved with a life  
2 care facility, the maximum reduction from the value of the  
3 property, as equalized by the Department, shall be multiplied  
4 by the number of apartments or units occupied by persons 65  
5 years of age or older, irrespective of any legal, equitable,  
6 or leasehold interest in the facility, who are liable, under a  
7 contract with the owner or owners of record of the facility,  
8 for paying property taxes on the property. In a cooperative or  
9 a life care facility where a homestead exemption has been  
10 granted, the cooperative association or the management firm of  
11 the cooperative or facility shall credit the savings resulting  
12 from that exemption only to the apportioned tax liability of  
13 the owner or resident who qualified for the exemption. Any  
14 person who willfully refuses to so credit the savings shall be  
15 guilty of a Class B misdemeanor. Under this Section and  
16 Sections 15-175, 15-176, and 15-177, "life care facility"  
17 means a facility, as defined in Section 2 of the Life Care  
18 Facilities Act, with which the applicant for the homestead  
19 exemption has a life care contract as defined in that Act.

20 (c) When a homestead exemption has been granted under this  
21 Section and the person qualifying subsequently becomes a  
22 resident of a facility licensed under the Assisted Living and  
23 Shared Housing Act, the Nursing Home Care Act, the Specialized  
24 Mental Health Rehabilitation Act of 2013, the ID/DD Community  
25 Care Act, or the MC/DD Act, the exemption shall continue so  
26 long as the residence continues to be occupied by the

1 qualifying person's spouse if the spouse is 65 years of age or  
2 older, or if the residence remains unoccupied but is still  
3 owned by the person qualified for the homestead exemption.

4 (d) A person who will be 65 years of age during the current  
5 assessment year shall be eligible to apply for the homestead  
6 exemption during that assessment year. Application shall be  
7 made during the application period in effect for the county of  
8 his residence.

9 (e) Beginning with assessment year 2003, for taxes payable  
10 in 2004, property that is first occupied as a residence after  
11 January 1 of any assessment year by a person who is eligible  
12 for the senior citizens homestead exemption under this Section  
13 must be granted a pro-rata exemption for the assessment year.  
14 The amount of the pro-rata exemption is the exemption allowed  
15 in the county under this Section divided by 365 and multiplied  
16 by the number of days during the assessment year the property  
17 is occupied as a residence by a person eligible for the  
18 exemption under this Section. The chief county assessment  
19 officer must adopt reasonable procedures to establish  
20 eligibility for this pro-rata exemption.

21 (f) The assessor or chief county assessment officer may  
22 determine the eligibility of a life care facility to receive  
23 the benefits provided by this Section, by affidavit,  
24 application, visual inspection, questionnaire or other  
25 reasonable methods in order to ensure ~~insure~~ that the tax  
26 savings resulting from the exemption are credited by the

1 management firm to the apportioned tax liability of each  
2 qualifying resident. The assessor may request reasonable proof  
3 that the management firm has so credited the exemption.

4 (g) The chief county assessment officer of each county  
5 with less than 3,000,000 inhabitants shall provide to each  
6 person allowed a homestead exemption under this Section a form  
7 to designate any other person to receive a duplicate of any  
8 notice of delinquency in the payment of taxes assessed and  
9 levied under this Code on the property of the person receiving  
10 the exemption. The duplicate notice shall be in addition to  
11 the notice required to be provided to the person receiving the  
12 exemption, and shall be given in the manner required by this  
13 Code. The person filing the request for the duplicate notice  
14 shall pay a fee of \$5 to cover administrative costs to the  
15 supervisor of assessments, who shall then file the executed  
16 designation with the county collector. Notwithstanding any  
17 other provision of this Code to the contrary, the filing of  
18 such an executed designation requires the county collector to  
19 provide duplicate notices as indicated by the designation. A  
20 designation may be rescinded by the person who executed such  
21 designation at any time, in the manner and form required by the  
22 chief county assessment officer.

23 (h) The assessor or chief county assessment officer may  
24 determine the eligibility of residential property to receive  
25 the homestead exemption provided by this Section by  
26 application, visual inspection, questionnaire or other

1 reasonable methods. The determination shall be made in  
2 accordance with guidelines established by the Department.

3 (i) In counties with 3,000,000 or more inhabitants, for  
4 taxable years 2010 through 2018, ~~and beginning again in~~  
5 ~~taxable year 2024,~~ each taxpayer who has been granted an  
6 exemption under this Section must reapply on an annual basis.

7 If a reapplication is required, then the chief county  
8 assessment officer shall mail the application to the taxpayer  
9 at least 60 days prior to the last day of the application  
10 period for the county.

11 For taxable years 2019 and thereafter ~~through 2023,~~ in  
12 counties with 3,000,000 or more inhabitants, a taxpayer who  
13 has been granted an exemption under this Section need not  
14 reapply. However, if the property ceases to be qualified for  
15 the exemption under this Section in any year for which a  
16 reapplication is not required under this Section, then the  
17 owner of record of the property shall notify the chief county  
18 assessment officer that the property is no longer qualified.  
19 In addition, for taxable years 2019 and thereafter ~~through~~  
20 ~~2023,~~ the chief county assessment officer of a county with  
21 3,000,000 or more inhabitants shall enter into an  
22 intergovernmental agreement with the county clerk of that  
23 county and the Department of Public Health, as well as any  
24 other appropriate governmental agency, to obtain information  
25 that documents the death of a taxpayer who has been granted an  
26 exemption under this Section. Notwithstanding any other



1 provision of law, the county clerk and the Department of  
2 Public Health shall provide that information to the chief  
3 county assessment officer. The Department of Public Health  
4 shall supply this information no less frequently than every  
5 calendar quarter. Information concerning the death of a  
6 taxpayer may be shared with the county treasurer. The chief  
7 county assessment officer shall also enter into a data  
8 exchange agreement with the Social Security Administration or  
9 its agent to obtain access to the information regarding deaths  
10 in possession of the Social Security Administration. The chief  
11 county assessment officer shall, subject to the notice  
12 requirements under subsection (m) of Section 9-275, terminate  
13 the exemption under this Section if the information obtained  
14 indicates that the property is no longer qualified for the  
15 exemption. In counties with 3,000,000 or more inhabitants, the  
16 assessor and the county clerk ~~recorder of deeds~~ shall  
17 establish policies and practices for the regular exchange of  
18 information for the purpose of alerting the assessor whenever  
19 the transfer of ownership of any property receiving an  
20 exemption under this Section has occurred. When such a  
21 transfer occurs, the assessor shall mail a notice to the new  
22 owner of the property (i) informing the new owner that the  
23 exemption will remain in place through the year of the  
24 transfer, after which it will be canceled, and (ii) providing  
25 information pertaining to the rules for reapplying for the  
26 exemption if the owner qualifies. In counties with 3,000,000

1 or more inhabitants, the chief county assessment official  
2 shall conduct, by no later than December 31 of the first year  
3 of each reassessment cycle, as determined by Section 9-220, a  
4 review ~~audits~~ of all exemptions granted under this Section for  
5 the preceding reassessment cycle under this Section ~~no later~~  
6 ~~than December 31, 2022 and no later than December 31, 2024.~~ The  
7 review ~~audit~~ shall be designed to ascertain whether any senior  
8 homestead exemptions have been granted erroneously. If it is  
9 determined that a senior homestead exemption has been  
10 erroneously applied to a property, the chief county assessment  
11 officer shall make use of the appropriate provisions of  
12 Section 9-275 in relation to the property that received the  
13 erroneous homestead exemption.

14 (j) In counties with less than 3,000,000 inhabitants, the  
15 county board may by resolution provide that if a person has  
16 been granted a homestead exemption under this Section, the  
17 person qualifying need not reapply for the exemption. In  
18 counties in which the county board passes such a resolution,  
19 the chief county assessment official shall, prior to the  
20 submission of the final abstract for the first year of each  
21 reassessment cycle, as determined by Section 9-215, review all  
22 exemptions granted for the preceding reassessment cycle under  
23 this Section. The review shall be designed to ascertain  
24 whether any senior homestead exemptions have been granted  
25 erroneously.

26 In counties with less than 3,000,000 inhabitants, if the

1 assessor or chief county assessment officer requires annual  
2 application for verification of eligibility for an exemption  
3 once granted under this Section, the application shall be  
4 mailed to the taxpayer.

5 (l) The assessor or chief county assessment officer shall  
6 notify each person who qualifies for an exemption under this  
7 Section that the person may also qualify for deferral of real  
8 estate taxes under the Senior Citizens Real Estate Tax  
9 Deferral Act. The notice shall set forth the qualifications  
10 needed for deferral of real estate taxes, the address and  
11 telephone number of county collector, and a statement that  
12 applications for deferral of real estate taxes may be obtained  
13 from the county collector.

14 (m) Notwithstanding Sections 6 and 8 of the State Mandates  
15 Act, no reimbursement by the State is required for the  
16 implementation of any mandate created by this Section.

17 (Source: P.A. 101-453, eff. 8-23-19; 101-622, eff. 1-14-20;  
18 102-895, eff. 5-23-22.)

19 ARTICLE 140.

20 Section 140-5. The Property Tax Code is amended by  
21 changing Sections 10-40 and 10-50 as follows:

22 (35 ILCS 200/10-40)

23 Sec. 10-40. Historic Residence Assessment Freeze Law;

1 definitions. This Section and Sections 10-45 through 10-85 may  
2 be cited as the Historic Residence Assessment Freeze Law. As  
3 used in this Section and Sections 10-45 through 10-85:

4 (a) "Director" means the Director of Historic  
5 Preservation.

6 (b) "Approved county or municipal landmark ordinance"  
7 means a county or municipal ordinance approved by the  
8 Director.

9 (c) "Historic building" means an owner-occupied single  
10 family residence or an owner-occupied multi-family  
11 residence and the tract, lot or parcel upon which it is  
12 located, or a building or buildings owned and operated as  
13 a cooperative, if:

14 (1) individually listed on the National Register  
15 of Historic Places or the Illinois Register of  
16 Historic Places;

17 (2) individually designated pursuant to an  
18 approved county or municipal landmark ordinance; or

19 (3) within a district listed on the National  
20 Register of Historic Places or designated pursuant to  
21 an approved county or municipal landmark ordinance, if  
22 the Director determines that the building is of  
23 historic significance to the district in which it is  
24 located.

25 Historic building does not mean an individual unit of a  
26 cooperative.

1 (d) "Assessment officer" means the chief county  
2 assessment officer.

3 (e) "Certificate of rehabilitation" means the  
4 certificate issued by the Director upon the renovation,  
5 restoration, preservation or rehabilitation of an historic  
6 building under this Code.

7 (f) "Rehabilitation period" means the period of time  
8 necessary to renovate, restore, preserve or rehabilitate  
9 an historic building as determined by the Director.

10 (g) "Standards for rehabilitation" means the Secretary  
11 of Interior's standards for rehabilitation as promulgated  
12 by the U.S. Department of the Interior.

13 (h) "Fair cash value" means the fair cash value of the  
14 historic building, as finally determined for that year by  
15 the assessment officer, board of review, Property Tax  
16 Appeal Board, or court ~~on the basis of the assessment~~  
17 ~~officer's property record card~~, representing the value of  
18 the property prior to the commencement of rehabilitation  
19 without consideration of any reduction reflecting value  
20 during the rehabilitation work. The changes made to this  
21 Section by this amendatory Act of the 103rd General  
22 Assembly are declarative of existing law and shall not be  
23 construed as a new enactment.

24 (i) "Base year valuation" means the fair cash value of  
25 the historic building for the year in which the  
26 rehabilitation period begins but prior to the commencement

1 of the rehabilitation and does not include any reduction  
2 in value during the rehabilitation work.

3 (j) "Adjustment in value" means the difference for any  
4 year between the then current fair cash value and the base  
5 year valuation.

6 (k) "Eight-year valuation period" means the 8 years  
7 from the date of the issuance of the certificate of  
8 rehabilitation.

9 (l) "Adjustment valuation period" means the 4 years  
10 following the 8 year valuation period.

11 (m) "Substantial rehabilitation" means interior or  
12 exterior rehabilitation work that preserves the historic  
13 building in a manner that significantly improves its  
14 condition.

15 (n) "Approved local government" means a local  
16 government that has been certified by the Director as:

17 (1) enforcing appropriate legislation for the  
18 designation of historic buildings;

19 (2) having established an adequate and qualified  
20 historic review commission;

21 (3) maintaining a system for the survey and  
22 inventory of historic properties;

23 (4) providing for adequate public participation in  
24 the local historic preservation program; and

25 (5) maintaining a system for reviewing  
26 applications under this Section in accordance with

1 rules and regulations promulgated by the Director.

2 (o) "Cooperative" means a building or buildings and  
3 the tract, lot, or parcel on which the building or  
4 buildings are located, if the building or buildings are  
5 devoted to residential uses by the owners and fee title to  
6 the land and building or buildings is owned by a  
7 corporation or other legal entity in which the  
8 shareholders or other co-owners each also have a long-term  
9 proprietary lease or other long-term arrangement of  
10 exclusive possession for a specific unit of occupancy  
11 space located within the same building or buildings.

12 (p) "Owner", in the case of a cooperative, means the  
13 Association.

14 (q) "Association", in the case of a cooperative, means  
15 the entity responsible for the administration of a  
16 cooperative, which entity may be incorporated or  
17 unincorporated, profit or nonprofit.

18 (r) "Owner-occupied single family residence" means a  
19 residence in which the title holder of record (i) holds  
20 fee simple ownership and (ii) occupies the property as  
21 his, her, or their principal residence.

22 (s) "Owner-occupied multi-family residence" means  
23 residential property comprised of not more than 6 living  
24 units in which the title holder of record (i) holds fee  
25 simple ownership and (ii) occupies one unit as his, her,  
26 or their principal residence. The remaining units may be

1 leased.

2 The changes made to this Section by this amendatory Act of  
3 the 91st General Assembly are declarative of existing law and  
4 shall not be construed as a new enactment.

5 (Source: P.A. 90-114, eff. 1-1-98; 91-806, eff. 1-1-01.)

6 (35 ILCS 200/10-50)

7 Sec. 10-50. Valuation after 8 year valuation period.

8 (a) For the 4 years after the expiration of the 8-year  
9 valuation period, the valuation for purposes of computing the  
10 assessed valuation shall not exceed the following ~~be as~~  
11 ~~follows:~~

12 For the first year, the base year valuation plus 25%  
13 of the adjustment in value.

14 For the second year, the base year valuation plus 50%  
15 of the adjustment in value.

16 For the third year, the base year valuation plus 75%  
17 of the adjustment in value.

18 For the fourth year, the then current fair cash value.

19 (b) If the current fair cash value during the adjustment  
20 valuation period is less than the base year valuation with the  
21 applicable adjustment, the assessment shall be based on the  
22 current fair cash value. The changes made to this Section by  
23 this amendatory Act of the 103rd General Assembly are  
24 declarative of existing law and shall not be construed as a new  
25 enactment.



1 (Source: P.A. 82-1023; 88-455.)

2 ARTICLE 145.

3 Section 145-5. The Property Tax Code is amended by  
4 changing Section 15-40 as follows:

5 (35 ILCS 200/15-40)

6 Sec. 15-40. Religious purposes, orphanages, or school and  
7 religious purposes.

8 (a) Property used exclusively for:

9 (1) religious purposes, or

10 (2) school and religious purposes, or

11 (3) orphanages

12 qualifies for exemption as long as it is not used with a view  
13 to profit.

14 (b) Property that is owned by

15 (1) churches or

16 (2) religious institutions or

17 (3) religious denominations

18 and that is used in conjunction therewith as housing  
19 facilities provided for ministers (including bishops, district  
20 superintendents and similar church officials whose ministerial  
21 duties are not limited to a single congregation), their  
22 spouses, children and domestic workers, performing the duties  
23 of their vocation as ministers at such churches or religious

1 institutions or for such religious denominations, including  
2 the convents and monasteries where persons engaged in  
3 religious activities reside also qualifies for exemption.

4 A parsonage, convent or monastery or other housing  
5 facility shall be considered under this Section to be  
6 exclusively used for religious purposes when the persons who  
7 perform religious related activities shall, as a condition of  
8 their employment or association, reside in the facility.

9 (c) In Cook County, whenever any interest in a property  
10 exempt under this Section is transferred, notice of that  
11 transfer must be filed with the county clerk ~~recorder~~. The  
12 chief county assessment officer shall prepare and make  
13 available a form notice for this purpose. Whenever a notice is  
14 filed, the county clerk ~~recorder~~ shall transmit a copy of that  
15 recorded notice to the chief county assessment officer within  
16 14 days after receipt.

17 (Source: P.A. 92-333, eff. 8-10-01.)

18 ARTICLE 150.

19 Section 150-1. Short title. This Act may be cited as the  
20 Interchange Fee Prohibition Act. References in this Article to  
21 "this Act" mean this Article.

22 Section 150-5. Definitions. As used in this Act:

23 "Acquirer bank" means a member of a payment card network

1 that contracts with a merchant for the settlement of  
2 electronic payment transactions. An acquirer bank may contract  
3 directly with merchants or indirectly through a processor to  
4 process electronic payment transactions.

5 "Authorization" means the process through which a merchant  
6 requests approval for an electronic payment transaction from  
7 the issuer.

8 "Clearance" means the process of transmitting final  
9 transaction data from a merchant to an issuer for posting to  
10 the cardholder's account and the calculation of fees and  
11 charges, including interchange fees, that apply to the issuer  
12 and the merchant.

13 "Credit card" means a card, plate, coupon book, or other  
14 credit device existing for the purpose of obtaining money,  
15 property, labor, or services on credit.

16 "Debit card" means a card or other payment code or device  
17 issued or approved for use through a payment card network to  
18 debit an asset account, regardless of the purpose for which  
19 the account is established, whether authorization is based on  
20 a signature, a personal identification number, or other means.

21 "Debit card" includes a general use prepaid card, as defined  
22 in 15 U.S.C. 16931-1. "Debit card" does not include paper  
23 checks.

24 "Electronic payment transaction" means a transaction in  
25 which a person uses a debit card, a credit card, or other  
26 payment code or device issued or approved through a payment

1 card network to debit a deposit account or use a line of  
2 credit, whether authorization is based on a signature, a  
3 personal identification number, or other means.

4 "Gratuity" means a voluntary monetary contribution to an  
5 employee from a guest, patron, or customer in connection with  
6 services rendered.

7 "Interchange fee" means a fee established, charged, or  
8 received by a payment card network for the purpose of  
9 compensating the issuer for its involvement in an electronic  
10 payment transaction.

11 "Issuer" means a person issuing a debit card or credit  
12 card or the issuer's agent.

13 "Merchant" means a person that collects and remits a tax.

14 "Payment card network" means an entity that:

15 (1) directly or through licensed members, processors,  
16 or agents, provides the proprietary services,  
17 infrastructure, and software to route information and data  
18 for the purpose of conducting electronic payment  
19 transaction authorization, clearance, and settlement; and

20 (2) a merchant uses to accept as a form of payment a  
21 brand of debit card, credit card, or other device that may  
22 be used to carry out electronic payment transactions.

23 "Person" means any individual, firm, public or private  
24 corporation, government, partnership, association, or any  
25 other organization or entity.

26 "Processor" means an entity that facilitates, services,

1 processes, or manages the debit or credit authorization,  
2 billing, transfer, payment procedures, or settlement with  
3 respect to any electronic payment transaction.

4 "Settlement" means the process of transmitting sales  
5 information to the issuing bank for collection and  
6 reimbursement of funds to the merchant and calculating and  
7 reporting the net transaction amount to the issuer and  
8 merchant for an electronic payment transaction that is  
9 cleared.

10 "Tax" means any use and occupation tax or excise tax  
11 imposed by the State or a unit of local government in the  
12 State.

13 "Tax documentation" means documentation sufficient for the  
14 payment card network to determine the total amount of the  
15 electronic payment transaction and the tax or gratuity amount  
16 of the transaction. Tax documentation may be related to a  
17 single electronic payment transaction or multiple electronic  
18 payment transactions aggregated over a period of time.  
19 Examples of tax documentation include, but are not limited to,  
20 invoices, receipts, journals, ledgers, and tax returns filed  
21 with the Department of Revenue or local taxing authorities.

22 Section 150-10. Interchange fees on taxes prohibited.

23 (a) An issuer, a payment card network, an acquirer bank,  
24 or a processor may not receive or charge a merchant any  
25 interchange fee on the tax amount or gratuity of an electronic

1 payment transaction if the merchant informs the acquirer bank  
2 or its designee of the tax or gratuity amount as part of the  
3 authorization or settlement process for the electronic payment  
4 transaction. The merchant must transmit the tax or gratuity  
5 amount data as part of the authorization or settlement process  
6 to avoid being charged interchange fees on the tax or gratuity  
7 amount of an electronic payment transaction.

8 (b) A merchant that does not transmit the tax or gratuity  
9 amount data in accordance with this Section may submit tax  
10 documentation for the electronic payment transaction to the  
11 acquirer bank or its designee no later than 180 days after the  
12 date of the electronic payment transaction, and, within 30  
13 days after the merchant submits the necessary tax  
14 documentation, the issuer must credit to the merchant the  
15 amount of interchange fees charged on the tax or gratuity  
16 amount of the electronic payment transaction.

17 (c) This Section does not create liability for a payment  
18 card network regarding the accuracy of the tax or gratuity  
19 data reported by the merchant.

20 (d) It shall be unlawful for an issuer, a payment card  
21 network, an acquirer bank, or a processor to alter or  
22 manipulate the computation and imposition of interchange fees  
23 by increasing the rate or amount of the fees applicable to or  
24 imposed upon the portion of a credit or debit card transaction  
25 not attributable to taxes or other fees charged to the  
26 retailer to circumvent the effect of this Section.

1 Section 150-15. Penalties.

2 (a) An issuer, a payment card network, an acquirer bank, a  
3 processor, or other designated entity that has received the  
4 tax or gratuity amount data and violates Section 150-10 is  
5 subject to a civil penalty of \$1,000 per electronic payment  
6 transaction, and the issuer must refund the merchant the  
7 interchange fee calculated on the tax or gratuity amount  
8 relative to the electronic payment transaction.

9 (b) An entity, other than the merchant, involved in  
10 facilitating or processing an electronic payment transaction,  
11 including, but not limited to, an issuer, a payment card  
12 network, an acquirer bank, a processor, or other designated  
13 entity, may not distribute, exchange, transfer, disseminate,  
14 or use the electronic payment transaction data except to  
15 facilitate or process the electronic payment transaction or as  
16 required by law. A violation of this subsection constitutes a  
17 violation of the Consumer Fraud and Deceptive Business  
18 Practices Act.

19 Section 150-95. Severability. The provisions of this Act  
20 are severable under Section 1.31 of the Statute on Statutes.

21 ARTICLE 155.

22 Section 155-5. The Property Tax Code is amended by

1 changing Sections 9-45 and 11-15 as follows:

2 (35 ILCS 200/9-45)

3 Sec. 9-45. Property index number system. The county clerk  
4 in counties of 3,000,000 or more inhabitants and, subject to  
5 the approval of the county board, the chief county assessment  
6 officer or recorder, in counties of less than 3,000,000  
7 inhabitants, may establish a property index number system  
8 under which property may be listed for purposes of assessment,  
9 collection of taxes or automation of the office of the  
10 recorder. The system may be adopted in addition to, or instead  
11 of, the method of listing by legal description as provided in  
12 Section 9-40. The system shall describe property by township,  
13 section, block, and parcel or lot, and may cross-reference the  
14 street or post office address, if any, and street code number,  
15 if any. The county clerk, county treasurer, chief county  
16 assessment officer or recorder may establish and maintain  
17 cross indexes of numbers assigned under the system with the  
18 complete legal description of the properties to which the  
19 numbers relate. Index numbers shall be assigned by the county  
20 clerk in counties of 3,000,000 or more inhabitants, and, at  
21 the direction of the county board in counties with less than  
22 3,000,000 inhabitants, shall be assigned by the chief county  
23 assessment officer or recorder. Tax maps of the county clerk,  
24 county treasurer or chief county assessment officer shall  
25 carry those numbers. The indexes shall be open to public



1 inspection and be made available to the public. Any property  
2 index number system established prior to the effective date of  
3 this Code shall remain valid. However, in counties with less  
4 than 3,000,000 inhabitants, the system may be transferred to  
5 another authority upon the approval of the county board.

6 Any real property used for a power generating or  
7 automotive manufacturing facility located within a county of  
8 less than 1,000,000 inhabitants, as to which litigation with  
9 respect to its assessed valuation is pending or was pending as  
10 of January 1, 1993, may be the subject of a real property tax  
11 assessment settlement agreement among the taxpayer and taxing  
12 districts in which it is situated. In addition, any real  
13 property that is located in a county with fewer than 1,000,000  
14 inhabitants and (i) is used for natural gas extraction and  
15 fractionation or olefin and polymer manufacturing or (ii) is  
16 used for a petroleum refinery and (ii) located within a county  
17 ~~of less than 1,000,000 inhabitants~~ may be the subject of a real  
18 property tax assessment settlement agreement among the  
19 taxpayer and taxing districts in which the property is  
20 situated if litigation is or was pending as to its assessed  
21 valuation as of January 1, 2003 or thereafter. Other  
22 appropriate authorities, which may include county and State  
23 boards or officials, may also be parties to such agreements.  
24 Such agreements may include the assessment of the facility or  
25 property for any years in dispute as well as for up to 10 years  
26 in the future. Such agreements may provide for the settlement

1 of issues relating to the assessed value of the facility and  
2 may provide for related payments, refunds, claims, credits  
3 against taxes and liabilities in respect to past and future  
4 taxes of taxing districts, including any fund created under  
5 Section 20-35 of this Act, all implementing the settlement  
6 agreement. Any such agreement may provide that parties thereto  
7 agree not to challenge assessments as provided in the  
8 agreement. An agreement entered into on or after January 1,  
9 1993 may provide for the classification of property that is  
10 the subject of the agreement as real or personal during the  
11 term of the agreement and thereafter. It may also provide that  
12 taxing districts agree to reimburse the taxpayer for amounts  
13 paid by the taxpayer in respect to taxes for the real property  
14 which is the subject of the agreement to the extent levied by  
15 those respective districts, over and above amounts which would  
16 be due if the facility were to be assessed as provided in the  
17 agreement. Such reimbursement may be provided in the agreement  
18 to be made by credit against taxes of the taxpayer. No credits  
19 shall be applied against taxes levied with respect to debt  
20 service or lease payments of a taxing district. No referendum  
21 approval or appropriation shall be required for such an  
22 agreement or such credits and any such obligation shall not  
23 constitute indebtedness of the taxing district for purposes of  
24 any statutory limitation. The county collector shall treat  
25 credited amounts as if they had been received by the collector  
26 as taxes paid by the taxpayer and as if remitted to the

1 district. A county treasurer who is a party to such an  
2 agreement may agree to hold amounts paid in escrow as provided  
3 in the agreement for possible use for paying taxes until  
4 conditions of the agreement are met and then to apply these  
5 amounts as provided in the agreement. No such settlement  
6 agreement shall be effective unless it shall have been  
7 approved by the court in which such litigation is pending. Any  
8 such agreement which has been entered into prior to adoption  
9 of this amendatory Act of 1988 and which is contingent upon  
10 enactment of authorizing legislation shall be binding and  
11 enforceable.

12 (Source: P.A. 96-609, eff. 8-24-09.)

13 (35 ILCS 200/11-15)

14 Sec. 11-15. Method of valuation for pollution control  
15 facilities. To determine ~~33 1/3%~~ of the fair cash value of any  
16 certified pollution control facility ~~facilities in assessing~~  
17 ~~those facilities~~, the Department shall determine ~~take into~~  
18 ~~consideration the actual or probable net earnings attributable~~  
19 ~~to the facilities in question, capitalized on the basis of~~  
20 ~~their productive earning value to their owner;~~ the probable  
21 net value that ~~which~~ could be realized by its ~~their~~ owner if  
22 the facility ~~facilities~~ were removed and sold at a fair,  
23 voluntary sale, giving due account to the expense of removal  
24 and condition of the particular facility ~~facilities~~ in  
25 question; ~~and other information as the Department may consider~~

1 ~~as bearing on the fair cash value of the facilities to their~~  
2 ~~owner, consistent with the principles set forth in this~~  
3 ~~Section. For the purposes of this Code, earnings shall be~~  
4 ~~attributed to a pollution control facility only to the extent~~  
5 ~~that its operation results in the production of a commercially~~  
6 ~~saleable by product or increases the production or reduces the~~  
7 ~~production costs of the products or services otherwise sold by~~  
8 ~~the owner of such facility. The assessed value of the facility~~  
9 ~~shall be 33/1/3% of the fair cash value of the facility.~~

10 (Source: P.A. 83-121; 88-455.)

11 ARTICLE 160.

12 Section 160-5. The Illinois Gambling Act is amended by  
13 changing Section 13 as follows:

14 (230 ILCS 10/13) (from Ch. 120, par. 2413)

15 Sec. 13. Wagering tax; rate; distribution.

16 (a) Until January 1, 1998, a tax is imposed on the adjusted  
17 gross receipts received from gambling games authorized under  
18 this Act at the rate of 20%.

19 (a-1) From January 1, 1998 until July 1, 2002, a privilege  
20 tax is imposed on persons engaged in the business of  
21 conducting riverboat gambling operations, based on the  
22 adjusted gross receipts received by a licensed owner from  
23 gambling games authorized under this Act at the following

1 rates:

2 15% of annual adjusted gross receipts up to and  
3 including \$25,000,000;

4 20% of annual adjusted gross receipts in excess of  
5 \$25,000,000 but not exceeding \$50,000,000;

6 25% of annual adjusted gross receipts in excess of  
7 \$50,000,000 but not exceeding \$75,000,000;

8 30% of annual adjusted gross receipts in excess of  
9 \$75,000,000 but not exceeding \$100,000,000;

10 35% of annual adjusted gross receipts in excess of  
11 \$100,000,000.

12 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
13 is imposed on persons engaged in the business of conducting  
14 riverboat gambling operations, other than licensed managers  
15 conducting riverboat gambling operations on behalf of the  
16 State, based on the adjusted gross receipts received by a  
17 licensed owner from gambling games authorized under this Act  
18 at the following rates:

19 15% of annual adjusted gross receipts up to and  
20 including \$25,000,000;

21 22.5% of annual adjusted gross receipts in excess of  
22 \$25,000,000 but not exceeding \$50,000,000;

23 27.5% of annual adjusted gross receipts in excess of  
24 \$50,000,000 but not exceeding \$75,000,000;

25 32.5% of annual adjusted gross receipts in excess of  
26 \$75,000,000 but not exceeding \$100,000,000;

1           37.5% of annual adjusted gross receipts in excess of  
2           \$100,000,000 but not exceeding \$150,000,000;

3           45% of annual adjusted gross receipts in excess of  
4           \$150,000,000 but not exceeding \$200,000,000;

5           50% of annual adjusted gross receipts in excess of  
6           \$200,000,000.

7           (a-3) Beginning July 1, 2003, a privilege tax is imposed  
8           on persons engaged in the business of conducting riverboat  
9           gambling operations, other than licensed managers conducting  
10          riverboat gambling operations on behalf of the State, based on  
11          the adjusted gross receipts received by a licensed owner from  
12          gambling games authorized under this Act at the following  
13          rates:

14          15% of annual adjusted gross receipts up to and  
15          including \$25,000,000;

16          27.5% of annual adjusted gross receipts in excess of  
17          \$25,000,000 but not exceeding \$37,500,000;

18          32.5% of annual adjusted gross receipts in excess of  
19          \$37,500,000 but not exceeding \$50,000,000;

20          37.5% of annual adjusted gross receipts in excess of  
21          \$50,000,000 but not exceeding \$75,000,000;

22          45% of annual adjusted gross receipts in excess of  
23          \$75,000,000 but not exceeding \$100,000,000;

24          50% of annual adjusted gross receipts in excess of  
25          \$100,000,000 but not exceeding \$250,000,000;

26          70% of annual adjusted gross receipts in excess of

1           \$250,000,000.

2           An amount equal to the amount of wagering taxes collected  
3 under this subsection (a-3) that are in addition to the amount  
4 of wagering taxes that would have been collected if the  
5 wagering tax rates under subsection (a-2) were in effect shall  
6 be paid into the Common School Fund.

7           The privilege tax imposed under this subsection (a-3)  
8 shall no longer be imposed beginning on the earlier of (i) July  
9 1, 2005; (ii) the first date after June 20, 2003 that riverboat  
10 gambling operations are conducted pursuant to a dormant  
11 license; or (iii) the first day that riverboat gambling  
12 operations are conducted under the authority of an owners  
13 license that is in addition to the 10 owners licenses  
14 initially authorized under this Act. For the purposes of this  
15 subsection (a-3), the term "dormant license" means an owners  
16 license that is authorized by this Act under which no  
17 riverboat gambling operations are being conducted on June 20,  
18 2003.

19           (a-4) Beginning on the first day on which the tax imposed  
20 under subsection (a-3) is no longer imposed and ending upon  
21 the imposition of the privilege tax under subsection (a-5) of  
22 this Section, a privilege tax is imposed on persons engaged in  
23 the business of conducting gambling operations, other than  
24 licensed managers conducting riverboat gambling operations on  
25 behalf of the State, based on the adjusted gross receipts  
26 received by a licensed owner from gambling games authorized

1 under this Act at the following rates:

2 15% of annual adjusted gross receipts up to and  
3 including \$25,000,000;

4 22.5% of annual adjusted gross receipts in excess of  
5 \$25,000,000 but not exceeding \$50,000,000;

6 27.5% of annual adjusted gross receipts in excess of  
7 \$50,000,000 but not exceeding \$75,000,000;

8 32.5% of annual adjusted gross receipts in excess of  
9 \$75,000,000 but not exceeding \$100,000,000;

10 37.5% of annual adjusted gross receipts in excess of  
11 \$100,000,000 but not exceeding \$150,000,000;

12 45% of annual adjusted gross receipts in excess of  
13 \$150,000,000 but not exceeding \$200,000,000;

14 50% of annual adjusted gross receipts in excess of  
15 \$200,000,000.

16 For the imposition of the privilege tax in this subsection  
17 (a-4), amounts paid pursuant to item (1) of subsection (b) of  
18 Section 56 of the Illinois Horse Racing Act of 1975 shall not  
19 be included in the determination of adjusted gross receipts.

20 (a-5)(1) Beginning on July 1, 2020, a privilege tax is  
21 imposed on persons engaged in the business of conducting  
22 gambling operations, other than the owners licensee under  
23 paragraph (1) of subsection (e-5) of Section 7 and licensed  
24 managers conducting riverboat gambling operations on behalf of  
25 the State, based on the adjusted gross receipts received by  
26 such licensee from the gambling games authorized under this



1 Act. The privilege tax for all gambling games other than table  
2 games, including, but not limited to, slot machines, video  
3 game of chance gambling, and electronic gambling games shall  
4 be at the following rates:

5 15% of annual adjusted gross receipts up to and  
6 including \$25,000,000;

7 22.5% of annual adjusted gross receipts in excess of  
8 \$25,000,000 but not exceeding \$50,000,000;

9 27.5% of annual adjusted gross receipts in excess of  
10 \$50,000,000 but not exceeding \$75,000,000;

11 32.5% of annual adjusted gross receipts in excess of  
12 \$75,000,000 but not exceeding \$100,000,000;

13 37.5% of annual adjusted gross receipts in excess of  
14 \$100,000,000 but not exceeding \$150,000,000;

15 45% of annual adjusted gross receipts in excess of  
16 \$150,000,000 but not exceeding \$200,000,000;

17 50% of annual adjusted gross receipts in excess of  
18 \$200,000,000.

19 The privilege tax for table games shall be at the  
20 following rates:

21 15% of annual adjusted gross receipts up to and  
22 including \$25,000,000;

23 20% of annual adjusted gross receipts in excess of  
24 \$25,000,000.

25 For the imposition of the privilege tax in this subsection  
26 (a-5), amounts paid pursuant to item (1) of subsection (b) of

1 Section 56 of the Illinois Horse Racing Act of 1975 shall not  
2 be included in the determination of adjusted gross receipts.

3 (2) Beginning on the first day that an owners licensee  
4 under paragraph (1) of subsection (e-5) of Section 7 conducts  
5 gambling operations, either in a temporary facility or a  
6 permanent facility, a privilege tax is imposed on persons  
7 engaged in the business of conducting gambling operations  
8 under paragraph (1) of subsection (e-5) of Section 7, other  
9 than licensed managers conducting riverboat gambling  
10 operations on behalf of the State, based on the adjusted gross  
11 receipts received by such licensee from the gambling games  
12 authorized under this Act. The privilege tax for all gambling  
13 games other than table games, including, but not limited to,  
14 slot machines, video game of chance gambling, and electronic  
15 gambling games shall be at the following rates:

16 12% of annual adjusted gross receipts up to and  
17 including \$25,000,000 to the State and 10.5% of annual  
18 adjusted gross receipts up to and including \$25,000,000 to  
19 the City of Chicago;

20 16% of annual adjusted gross receipts in excess of  
21 \$25,000,000 but not exceeding \$50,000,000 to the State and  
22 14% of annual adjusted gross receipts in excess of  
23 \$25,000,000 but not exceeding \$50,000,000 to the City of  
24 Chicago;

25 20.1% of annual adjusted gross receipts in excess of  
26 \$50,000,000 but not exceeding \$75,000,000 to the State and

1 17.4% of annual adjusted gross receipts in excess of  
2 \$50,000,000 but not exceeding \$75,000,000 to the City of  
3 Chicago;

4 21.4% of annual adjusted gross receipts in excess of  
5 \$75,000,000 but not exceeding \$100,000,000 to the State  
6 and 18.6% of annual adjusted gross receipts in excess of  
7 \$75,000,000 but not exceeding \$100,000,000 to the City of  
8 Chicago;

9 22.7% of annual adjusted gross receipts in excess of  
10 \$100,000,000 but not exceeding \$150,000,000 to the State  
11 and 19.8% of annual adjusted gross receipts in excess of  
12 \$100,000,000 but not exceeding \$150,000,000 to the City of  
13 Chicago;

14 24.1% of annual adjusted gross receipts in excess of  
15 \$150,000,000 but not exceeding \$225,000,000 to the State  
16 and 20.9% of annual adjusted gross receipts in excess of  
17 \$150,000,000 but not exceeding \$225,000,000 to the City of  
18 Chicago;

19 26.8% of annual adjusted gross receipts in excess of  
20 \$225,000,000 but not exceeding \$1,000,000,000 to the State  
21 and 23.2% of annual adjusted gross receipts in excess of  
22 \$225,000,000 but not exceeding \$1,000,000,000 to the City  
23 of Chicago;

24 40% of annual adjusted gross receipts in excess of  
25 \$1,000,000,000 to the State and 34.7% of annual gross  
26 receipts in excess of \$1,000,000,000 to the City of

1 Chicago.

2 The privilege tax for table games shall be at the  
3 following rates:

4 8.1% of annual adjusted gross receipts up to and  
5 including \$25,000,000 to the State and 6.9% of annual  
6 adjusted gross receipts up to and including \$25,000,000 to  
7 the City of Chicago;

8 10.7% of annual adjusted gross receipts in excess of  
9 \$25,000,000 but not exceeding \$75,000,000 to the State and  
10 9.3% of annual adjusted gross receipts in excess of  
11 \$25,000,000 but not exceeding \$75,000,000 to the City of  
12 Chicago;

13 11.2% of annual adjusted gross receipts in excess of  
14 \$75,000,000 but not exceeding \$175,000,000 to the State  
15 and 9.8% of annual adjusted gross receipts in excess of  
16 \$75,000,000 but not exceeding \$175,000,000 to the City of  
17 Chicago;

18 13.5% of annual adjusted gross receipts in excess of  
19 \$175,000,000 but not exceeding \$225,000,000 to the State  
20 and 11.5% of annual adjusted gross receipts in excess of  
21 \$175,000,000 but not exceeding \$225,000,000 to the City of  
22 Chicago;

23 15.1% of annual adjusted gross receipts in excess of  
24 \$225,000,000 but not exceeding \$275,000,000 to the State  
25 and 12.9% of annual adjusted gross receipts in excess of  
26 \$225,000,000 but not exceeding \$275,000,000 to the City of

1 Chicago;

2 16.2% of annual adjusted gross receipts in excess of  
3 \$275,000,000 but not exceeding \$375,000,000 to the State  
4 and 13.8% of annual adjusted gross receipts in excess of  
5 \$275,000,000 but not exceeding \$375,000,000 to the City of  
6 Chicago;

7 18.9% of annual adjusted gross receipts in excess of  
8 \$375,000,000 to the State and 16.1% of annual gross  
9 receipts in excess of \$375,000,000 to the City of Chicago.

10 For the imposition of the privilege tax in this subsection  
11 (a-5), 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 (3) Notwithstanding the provisions of this subsection  
15 (a-5), for the first 10 years that the privilege tax is imposed  
16 under this subsection (a-5) or until the year preceding the  
17 calendar year in which paragraph (4) becomes operative,  
18 whichever occurs first, the privilege tax shall be imposed on  
19 the modified annual adjusted gross receipts of a riverboat or  
20 casino conducting gambling operations in the City of East St.  
21 Louis, unless:

22 (1) the riverboat or casino fails to employ at least  
23 450 people, except no minimum employment shall be required  
24 during 2020 and 2021 or during periods that the riverboat  
25 or casino is closed on orders of State officials for  
26 public health emergencies or other emergencies not caused

1 by the riverboat or casino;

2 (2) the riverboat or casino fails to maintain  
3 operations in a manner consistent with this Act or is not a  
4 viable riverboat or casino subject to the approval of the  
5 Board; or

6 (3) the owners licensee is not an entity in which  
7 employees participate in an employee stock ownership plan  
8 or in which the owners licensee sponsors a 401(k)  
9 retirement plan and makes a matching employer contribution  
10 equal to at least one-quarter of the first 12% or one-half  
11 of the first 6% of each participating employee's  
12 contribution, not to exceed any limitations under federal  
13 laws and regulations.

14 (4) Notwithstanding the provisions of this subsection  
15 (a-5), for 10 calendar years beginning in the year that  
16 gambling operations commence either in a temporary or  
17 permanent facility at an organization gaming facility located  
18 in the City of Collinsville ~~if the facility commences~~  
19 ~~operations within 3 years of the effective date of the changes~~  
20 ~~made to this Section by this amendatory Act of the 103rd~~  
21 ~~General Assembly~~, the privilege tax imposed under this  
22 subsection (a-5) on a riverboat or casino conducting gambling  
23 operations in the City of East St. Louis shall be reduced, if  
24 applicable, by an amount equal to the difference in adjusted  
25 gross receipts for the 2022 calendar year less the current  
26 year's adjusted gross receipts, unless:

1 (A) the riverboat or casino fails to employ at least  
2 350 people, except that no minimum employment shall be  
3 required during periods that the riverboat or casino is  
4 closed on orders of State officials for public health  
5 emergencies or other emergencies not caused by the  
6 riverboat or casino;

7 (B) the riverboat or casino fails to maintain  
8 operations in a manner consistent with this Act or is not a  
9 viable riverboat or casino subject to the approval of the  
10 Board; or

11 (C) the riverboat or casino fails to submit audited  
12 financial statements to the Board prepared by an  
13 accounting firm that has been preapproved by the Board and  
14 such statements were prepared in accordance with the  
15 provisions of the Financial Accounting Standards Board  
16 Accounting Standards Codification under nongovernmental  
17 accounting principles generally accepted in the United  
18 States.

19 As used in this subsection (a-5), "modified annual  
20 adjusted gross receipts" means:

21 (A) for calendar year 2020, the annual adjusted gross  
22 receipts for the current year minus the difference between  
23 an amount equal to the average annual adjusted gross  
24 receipts from a riverboat or casino conducting gambling  
25 operations in the City of East St. Louis for 2014, 2015,  
26 2016, 2017, and 2018 and the annual adjusted gross

1 receipts for 2018;

2 (B) for calendar year 2021, the annual adjusted gross  
3 receipts for the current year minus the difference between  
4 an amount equal to the average annual adjusted gross  
5 receipts from a riverboat or casino conducting gambling  
6 operations in the City of East St. Louis for 2014, 2015,  
7 2016, 2017, and 2018 and the annual adjusted gross  
8 receipts for 2019; and

9 (C) for calendar years 2022 through 2029, the annual  
10 adjusted gross receipts for the current year minus the  
11 difference between an amount equal to the average annual  
12 adjusted gross receipts from a riverboat or casino  
13 conducting gambling operations in the City of East St.  
14 Louis for 3 years preceding the current year and the  
15 annual adjusted gross receipts for the immediately  
16 preceding year.

17 (a-6) From June 28, 2019 (the effective date of Public Act  
18 101-31) until June 30, 2023, an owners licensee that conducted  
19 gambling operations prior to January 1, 2011 shall receive a  
20 dollar-for-dollar credit against the tax imposed under this  
21 Section for any renovation or construction costs paid by the  
22 owners licensee, but in no event shall the credit exceed  
23 \$2,000,000.

24 Additionally, from June 28, 2019 (the effective date of  
25 Public Act 101-31) until December 31, 2024, an owners licensee  
26 that (i) is located within 15 miles of the Missouri border, and



1 (ii) has at least 3 riverboats, casinos, or their equivalent  
2 within a 45-mile radius, may be authorized to relocate to a new  
3 location with the approval of both the unit of local  
4 government designated as the home dock and the Board, so long  
5 as the new location is within the same unit of local government  
6 and no more than 3 miles away from its original location. Such  
7 owners licensee shall receive a credit against the tax imposed  
8 under this Section equal to 8% of the total project costs, as  
9 approved by the Board, for any renovation or construction  
10 costs paid by the owners licensee for the construction of the  
11 new facility, provided that the new facility is operational by  
12 July 1, 2024. In determining whether or not to approve a  
13 relocation, the Board must consider the extent to which the  
14 relocation will diminish the gaming revenues received by other  
15 Illinois gaming facilities.

16 (a-7) Beginning in the initial adjustment year and through  
17 the final adjustment year, if the total obligation imposed  
18 pursuant to either subsection (a-5) or (a-6) will result in an  
19 owners licensee receiving less after-tax adjusted gross  
20 receipts than it received in calendar year 2018, then the  
21 total amount of privilege taxes that the owners licensee is  
22 required to pay for that calendar year shall be reduced to the  
23 extent necessary so that the after-tax adjusted gross receipts  
24 in that calendar year equals the after-tax adjusted gross  
25 receipts in calendar year 2018, but the privilege tax  
26 reduction shall not exceed the annual adjustment cap. If

1 pursuant to this subsection (a-7), the total obligation  
2 imposed pursuant to either subsection (a-5) or (a-6) shall be  
3 reduced, then the owners licensee shall not receive a refund  
4 from the State at the end of the subject calendar year but  
5 instead shall be able to apply that amount as a credit against  
6 any payments it owes to the State in the following calendar  
7 year to satisfy its total obligation under either subsection  
8 (a-5) or (a-6). The credit for the final adjustment year shall  
9 occur in the calendar year following the final adjustment  
10 year.

11 If an owners licensee that conducted gambling operations  
12 prior to January 1, 2019 expands its riverboat or casino,  
13 including, but not limited to, with respect to its gaming  
14 floor, additional non-gaming amenities such as restaurants,  
15 bars, and hotels and other additional facilities, and incurs  
16 construction and other costs related to such expansion from  
17 June 28, 2019 (the effective date of Public Act 101-31) until  
18 June 28, 2024 (the 5th anniversary of the effective date of  
19 Public Act 101-31), then for each \$15,000,000 spent for any  
20 such construction or other costs related to expansion paid by  
21 the owners licensee, the final adjustment year shall be  
22 extended by one year and the annual adjustment cap shall  
23 increase by 0.2% of adjusted gross receipts during each  
24 calendar year until and including the final adjustment year.  
25 No further modifications to the final adjustment year or  
26 annual adjustment cap shall be made after \$75,000,000 is

1 incurred in construction or other costs related to expansion  
2 so that the final adjustment year shall not extend beyond the  
3 9th calendar year after the initial adjustment year, not  
4 including the initial adjustment year, and the annual  
5 adjustment cap shall not exceed 4% of adjusted gross receipts  
6 in a particular calendar year. Construction and other costs  
7 related to expansion shall include all project related costs,  
8 including, but not limited to, all hard and soft costs,  
9 financing costs, on or off-site ground, road or utility work,  
10 cost of gaming equipment and all other personal property,  
11 initial fees assessed for each incremental gaming position,  
12 and the cost of incremental land acquired for such expansion.  
13 Soft costs shall include, but not be limited to, legal fees,  
14 architect, engineering and design costs, other consultant  
15 costs, insurance cost, permitting costs, and pre-opening costs  
16 related to the expansion, including, but not limited to, any  
17 of the following: marketing, real estate taxes, personnel,  
18 training, travel and out-of-pocket expenses, supply,  
19 inventory, and other costs, and any other project related soft  
20 costs.

21 To be eligible for the tax credits in subsection (a-6),  
22 all construction contracts shall include a requirement that  
23 the contractor enter into a project labor agreement with the  
24 building and construction trades council with geographic  
25 jurisdiction of the location of the proposed gaming facility.

26 Notwithstanding any other provision of this subsection

1 (a-7), this subsection (a-7) does not apply to an owners  
2 licensee unless such owners licensee spends at least  
3 \$15,000,000 on construction and other costs related to its  
4 expansion, excluding the initial fees assessed for each  
5 incremental gaming position.

6 This subsection (a-7) does not apply to owners licensees  
7 authorized pursuant to subsection (e-5) of Section 7 of this  
8 Act.

9 For purposes of this subsection (a-7):

10 "Building and construction trades council" means any  
11 organization representing multiple construction entities that  
12 are monitoring or attentive to compliance with public or  
13 workers' safety laws, wage and hour requirements, or other  
14 statutory requirements or that are making or maintaining  
15 collective bargaining agreements.

16 "Initial adjustment year" means the year commencing on  
17 January 1 of the calendar year immediately following the  
18 earlier of the following:

19 (1) the commencement of gambling operations, either in  
20 a temporary or permanent facility, with respect to the  
21 owners license authorized under paragraph (1) of  
22 subsection (e-5) of Section 7 of this Act; or

23 (2) June 28, 2021 (24 months after the effective date  
24 of Public Act 101-31);

25 provided the initial adjustment year shall not commence  
26 earlier than June 28, 2020 (12 months after the effective date

1 of Public Act 101-31).

2 "Final adjustment year" means the 2nd calendar year after  
3 the initial adjustment year, not including the initial  
4 adjustment year, and as may be extended further as described  
5 in this subsection (a-7).

6 "Annual adjustment cap" means 3% of adjusted gross  
7 receipts in a particular calendar year, and as may be  
8 increased further as otherwise described in this subsection  
9 (a-7).

10 (a-8) Riverboat gambling operations conducted by a  
11 licensed manager on behalf of the State are not subject to the  
12 tax imposed under this Section.

13 (a-9) Beginning on January 1, 2020, the calculation of  
14 gross receipts or adjusted gross receipts, for the purposes of  
15 this Section, for a riverboat, a casino, or an organization  
16 gaming facility shall not include the dollar amount of  
17 non-cashable vouchers, coupons, and electronic promotions  
18 redeemed by wagerers upon the riverboat, in the casino, or in  
19 the organization gaming facility up to and including an amount  
20 not to exceed 20% of a riverboat's, a casino's, or an  
21 organization gaming facility's adjusted gross receipts.

22 The Illinois Gaming Board shall submit to the General  
23 Assembly a comprehensive report no later than March 31, 2023  
24 detailing, at a minimum, the effect of removing non-cashable  
25 vouchers, coupons, and electronic promotions from this  
26 calculation on net gaming revenues to the State in calendar

1 years 2020 through 2022, the increase or reduction in wagers  
2 as a result of removing non-cashable vouchers, coupons, and  
3 electronic promotions from this calculation, the effect of the  
4 tax rates in subsection (a-5) on net gaming revenues to this  
5 State, and proposed modifications to the calculation.

6 (a-10) The taxes imposed by this Section shall be paid by  
7 the licensed owner or the organization gaming licensee to the  
8 Board not later than 5:00 o'clock p.m. of the day after the day  
9 when the wagers were made.

10 (a-15) If the privilege tax imposed under subsection (a-3)  
11 is no longer imposed pursuant to item (i) of the last paragraph  
12 of subsection (a-3), then by June 15 of each year, each owners  
13 licensee, other than an owners licensee that admitted  
14 1,000,000 persons or fewer in calendar year 2004, must, in  
15 addition to the payment of all amounts otherwise due under  
16 this Section, pay to the Board a reconciliation payment in the  
17 amount, if any, by which the licensed owner's base amount  
18 exceeds the amount of net privilege tax paid by the licensed  
19 owner to the Board in the then current State fiscal year. A  
20 licensed owner's net privilege tax obligation due for the  
21 balance of the State fiscal year shall be reduced up to the  
22 total of the amount paid by the licensed owner in its June 15  
23 reconciliation payment. The obligation imposed by this  
24 subsection (a-15) is binding on any person, firm, corporation,  
25 or other entity that acquires an ownership interest in any  
26 such owners license. The obligation imposed under this

1 subsection (a-15) terminates on the earliest of: (i) July 1,  
2 2007, (ii) the first day after August 23, 2005 (the effective  
3 date of Public Act 94-673) that riverboat gambling operations  
4 are conducted pursuant to a dormant license, (iii) the first  
5 day that riverboat gambling operations are conducted under the  
6 authority of an owners license that is in addition to the 10  
7 owners licenses initially authorized under this Act, or (iv)  
8 the first day that a licensee under the Illinois Horse Racing  
9 Act of 1975 conducts gaming operations with slot machines or  
10 other electronic gaming devices. The Board must reduce the  
11 obligation imposed under this subsection (a-15) by an amount  
12 the Board deems reasonable for any of the following reasons:  
13 (A) an act or acts of God, (B) an act of bioterrorism or  
14 terrorism or a bioterrorism or terrorism threat that was  
15 investigated by a law enforcement agency, or (C) a condition  
16 beyond the control of the owners licensee that does not result  
17 from any act or omission by the owners licensee or any of its  
18 agents and that poses a hazardous threat to the health and  
19 safety of patrons. If an owners licensee pays an amount in  
20 excess of its liability under this Section, the Board shall  
21 apply the overpayment to future payments required under this  
22 Section.

23 For purposes of this subsection (a-15):

24 "Act of God" means an incident caused by the operation of  
25 an extraordinary force that cannot be foreseen, that cannot be  
26 avoided by the exercise of due care, and for which no person

1 can be held liable.

2 "Base amount" means the following:

3 For a riverboat in Alton, \$31,000,000.

4 For a riverboat in East Peoria, \$43,000,000.

5 For the Empress riverboat in Joliet, \$86,000,000.

6 For a riverboat in Metropolis, \$45,000,000.

7 For the Harrah's riverboat in Joliet, \$114,000,000.

8 For a riverboat in Aurora, \$86,000,000.

9 For a riverboat in East St. Louis, \$48,500,000.

10 For a riverboat in Elgin, \$198,000,000.

11 "Dormant license" has the meaning ascribed to it in  
12 subsection (a-3).

13 "Net privilege tax" means all privilege taxes paid by a  
14 licensed owner to the Board under this Section, less all  
15 payments made from the State Gaming Fund pursuant to  
16 subsection (b) of this Section.

17 The changes made to this subsection (a-15) by Public Act  
18 94-839 are intended to restate and clarify the intent of  
19 Public Act 94-673 with respect to the amount of the payments  
20 required to be made under this subsection by an owners  
21 licensee to the Board.

22 (b) From the tax revenue from riverboat or casino gambling  
23 deposited in the State Gaming Fund under this Section, an  
24 amount equal to 5% of adjusted gross receipts generated by a  
25 riverboat or a casino, other than a riverboat or casino  
26 designated in paragraph (1), (3), or (4) of subsection (e-5)



1 of Section 7, shall be paid monthly, subject to appropriation  
2 by the General Assembly, to the unit of local government in  
3 which the casino is located or that is designated as the home  
4 dock of the riverboat. Notwithstanding anything to the  
5 contrary, beginning on the first day that an owners licensee  
6 under paragraph (1), (2), (3), (4), (5), or (6) of subsection  
7 (e-5) of Section 7 conducts gambling operations, either in a  
8 temporary facility or a permanent facility, and for 2 years  
9 thereafter, a unit of local government designated as the home  
10 dock of a riverboat whose license was issued before January 1,  
11 2019, other than a riverboat conducting gambling operations in  
12 the City of East St. Louis, shall not receive less under this  
13 subsection (b) than the amount the unit of local government  
14 received under this subsection (b) in calendar year 2018.  
15 Notwithstanding anything to the contrary and because the City  
16 of East St. Louis is a financially distressed city, beginning  
17 on the first day that an owners licensee under paragraph (1),  
18 (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7  
19 conducts gambling operations, either in a temporary facility  
20 or a permanent facility, and for 10 years thereafter, a unit of  
21 local government designated as the home dock of a riverboat  
22 conducting gambling operations in the City of East St. Louis  
23 shall not receive less under this subsection (b) than the  
24 amount the unit of local government received under this  
25 subsection (b) in calendar year 2018.

26 From the tax revenue deposited in the State Gaming Fund

1 pursuant to riverboat or casino gambling operations conducted  
2 by a licensed manager on behalf of the State, an amount equal  
3 to 5% of adjusted gross receipts generated pursuant to those  
4 riverboat or casino gambling operations shall be paid monthly,  
5 subject to appropriation by the General Assembly, to the unit  
6 of local government that is designated as the home dock of the  
7 riverboat upon which those riverboat gambling operations are  
8 conducted or in which the casino is located.

9 From the tax revenue from riverboat or casino gambling  
10 deposited in the State Gaming Fund under this Section, an  
11 amount equal to 5% of the adjusted gross receipts generated by  
12 a riverboat designated in paragraph (3) of subsection (e-5) of  
13 Section 7 shall be divided and remitted monthly, subject to  
14 appropriation, as follows: 70% to Waukegan, 10% to Park City,  
15 15% to North Chicago, and 5% to Lake County.

16 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 the adjusted gross receipts generated by  
19 a riverboat designated in paragraph (4) of subsection (e-5) of  
20 Section 7 shall be remitted monthly, subject to appropriation,  
21 as follows: 70% to the City of Rockford, 5% to the City of  
22 Loves Park, 5% to the Village of Machesney, and 20% to  
23 Winnebago County.

24 From the tax revenue from riverboat or casino gambling  
25 deposited in the State Gaming Fund under this Section, an  
26 amount equal to 5% of the adjusted gross receipts generated by

1 a riverboat designated in paragraph (5) of subsection (e-5) of  
2 Section 7 shall be remitted monthly, subject to appropriation,  
3 as follows: 2% to the unit of local government in which the  
4 riverboat or casino is located, and 3% shall be distributed:  
5 (A) in accordance with a regional capital development plan  
6 entered into by the following communities: Village of Beecher,  
7 City of Blue Island, Village of Burnham, City of Calumet City,  
8 Village of Calumet Park, City of Chicago Heights, City of  
9 Country Club Hills, Village of Crestwood, Village of Crete,  
10 Village of Dixmoor, Village of Dolton, Village of East Hazel  
11 Crest, Village of Flossmoor, Village of Ford Heights, Village  
12 of Glenwood, City of Harvey, Village of Hazel Crest, Village  
13 of Homewood, Village of Lansing, Village of Lynwood, City of  
14 Markham, Village of Matteson, Village of Midlothian, Village  
15 of Monee, City of Oak Forest, Village of Olympia Fields,  
16 Village of Orland Hills, Village of Orland Park, City of Palos  
17 Heights, Village of Park Forest, Village of Phoenix, Village  
18 of Posen, Village of Richton Park, Village of Riverdale,  
19 Village of Robbins, Village of Sauk Village, Village of South  
20 Chicago Heights, Village of South Holland, Village of Steger,  
21 Village of Thornton, Village of Tinley Park, Village of  
22 University Park, and Village of Worth; or (B) if no regional  
23 capital development plan exists, equally among the communities  
24 listed in item (A) to be used for capital expenditures or  
25 public pension payments, or both.

26 Units of local government may refund any portion of the

1 payment that they receive pursuant to this subsection (b) to  
2 the riverboat or casino.

3 (b-4) Beginning on the first day a licensee under  
4 subsection (e-5) of Section 7 conducts gambling operations or  
5 30 days after the effective date of this amendatory Act of the  
6 103rd General Assembly, whichever is sooner, either in a  
7 temporary facility or a permanent facility, and ending on July  
8 31, 2042, from the tax revenue deposited in the State Gaming  
9 Fund under this Section, \$5,000,000 shall be paid annually,  
10 subject to appropriation, to the host municipality of that  
11 owners licensee of a license issued or re-issued pursuant to  
12 Section 7.1 of this Act before January 1, 2012. Payments  
13 received by the host municipality pursuant to this subsection  
14 (b-4) may not be shared with any other unit of local  
15 government.

16 (b-5) Beginning on June 28, 2019 (the effective date of  
17 Public Act 101-31), from the tax revenue deposited in the  
18 State Gaming Fund under this Section, an amount equal to 3% of  
19 adjusted gross receipts generated by each organization gaming  
20 facility located outside Madison County shall be paid monthly,  
21 subject to appropriation by the General Assembly, to a  
22 municipality other than the Village of Stickney in which each  
23 organization gaming facility is located or, if the  
24 organization gaming facility is not located within a  
25 municipality, to the county in which the organization gaming  
26 facility is located, except as otherwise provided in this

1 Section. From the tax revenue deposited in the State Gaming  
2 Fund under this Section, an amount equal to 3% of adjusted  
3 gross receipts generated by an organization gaming facility  
4 located in the Village of Stickney shall be paid monthly,  
5 subject to appropriation by the General Assembly, as follows:  
6 25% to the Village of Stickney, 5% to the City of Berwyn, 50%  
7 to the Town of Cicero, and 20% to the Stickney Public Health  
8 District.

9 From the tax revenue deposited in the State Gaming Fund  
10 under this Section, an amount equal to 5% of adjusted gross  
11 receipts generated by an organization gaming facility located  
12 in the City of Collinsville shall be paid monthly, subject to  
13 appropriation by the General Assembly, as follows: 30% to the  
14 City of Alton, 30% to the City of East St. Louis, and 40% to  
15 the City of Collinsville.

16 Municipalities and counties may refund any portion of the  
17 payment that they receive pursuant to this subsection (b-5) to  
18 the organization gaming facility.

19 (b-6) Beginning on June 28, 2019 (the effective date of  
20 Public Act 101-31), from the tax revenue deposited in the  
21 State Gaming Fund under this Section, an amount equal to 2% of  
22 adjusted gross receipts generated by an organization gaming  
23 facility located outside Madison County shall be paid monthly,  
24 subject to appropriation by the General Assembly, to the  
25 county in which the organization gaming facility is located  
26 for the purposes of its criminal justice system or health care

1 system.

2 Counties may refund any portion of the payment that they  
3 receive pursuant to this subsection (b-6) to the organization  
4 gaming facility.

5 (b-7) From the tax revenue from the organization gaming  
6 licensee located in one of the following townships of Cook  
7 County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or  
8 Worth, an amount equal to 5% of the adjusted gross receipts  
9 generated by that organization gaming licensee shall be  
10 remitted monthly, subject to appropriation, as follows: 2% to  
11 the unit of local government in which the organization gaming  
12 licensee is located, and 3% shall be distributed: (A) in  
13 accordance with a regional capital development plan entered  
14 into by the following communities: Village of Beecher, City of  
15 Blue Island, Village of Burnham, City of Calumet City, Village  
16 of Calumet Park, City of Chicago Heights, City of Country Club  
17 Hills, Village of Crestwood, Village of Crete, Village of  
18 Dixmoor, Village of Dolton, Village of East Hazel Crest,  
19 Village of Flossmoor, Village of Ford Heights, Village of  
20 Glenwood, City of Harvey, Village of Hazel Crest, Village of  
21 Homewood, Village of Lansing, Village of Lynwood, City of  
22 Markham, Village of Matteson, Village of Midlothian, Village  
23 of Monee, City of Oak Forest, Village of Olympia Fields,  
24 Village of Orland Hills, Village of Orland Park, City of Palos  
25 Heights, Village of Park Forest, Village of Phoenix, Village  
26 of Posen, Village of Richton Park, Village of Riverdale,

1 Village of Robbins, Village of Sauk Village, Village of South  
2 Chicago Heights, Village of South Holland, Village of Steger,  
3 Village of Thornton, Village of Tinley Park, Village of  
4 University Park, and Village of Worth; or (B) if no regional  
5 capital development plan exists, equally among the communities  
6 listed in item (A) to be used for capital expenditures or  
7 public pension payments, or both.

8 (b-8) In lieu of the payments under subsection (b) of this  
9 Section, from the tax revenue deposited in the State Gaming  
10 Fund pursuant to riverboat or casino gambling operations  
11 conducted by an owners licensee under paragraph (1) of  
12 subsection (e-5) of Section 7, an amount equal to the tax  
13 revenue generated from the privilege tax imposed by paragraph  
14 (2) of subsection (a-5) that is to be paid to the City of  
15 Chicago shall be paid monthly, subject to appropriation by the  
16 General Assembly, as follows: (1) an amount equal to 0.5% of  
17 the annual adjusted gross receipts generated by the owners  
18 licensee under paragraph (1) of subsection (e-5) of Section 7  
19 to the home rule county in which the owners licensee is located  
20 for the purpose of enhancing the county's criminal justice  
21 system; and (2) the balance to the City of Chicago and shall be  
22 expended or obligated by the City of Chicago for pension  
23 payments in accordance with Public Act 99-506.

24 (c) Appropriations, as approved by the General Assembly,  
25 may be made from the State Gaming Fund to the Board (i) for the  
26 administration and enforcement of this Act and the Video

1 Gaming Act, (ii) for distribution to the Illinois State Police  
2 and to the Department of Revenue for the enforcement of this  
3 Act and the Video Gaming Act, and (iii) to the Department of  
4 Human Services for the administration of programs to treat  
5 problem gambling, including problem gambling from sports  
6 wagering. The Board's annual appropriations request must  
7 separately state its funding needs for the regulation of  
8 gaming authorized under Section 7.7, riverboat gaming, casino  
9 gaming, video gaming, and sports wagering.

10 (c-2) An amount equal to 2% of the adjusted gross receipts  
11 generated by an organization gaming facility located within a  
12 home rule county with a population of over 3,000,000  
13 inhabitants shall be paid, subject to appropriation from the  
14 General Assembly, from the State Gaming Fund to the home rule  
15 county in which the organization gaming licensee is located  
16 for the purpose of enhancing the county's criminal justice  
17 system.

18 (c-3) Appropriations, as approved by the General Assembly,  
19 may be made from the tax revenue deposited into the State  
20 Gaming Fund from organization gaming licensees pursuant to  
21 this Section for the administration and enforcement of this  
22 Act.

23 (c-4) After payments required under subsections (b),  
24 (b-5), (b-6), (b-7), (c), (c-2), and (c-3) have been made from  
25 the tax revenue from organization gaming licensees deposited  
26 into the State Gaming Fund under this Section, all remaining



1 amounts from organization gaming licensees shall be  
2 transferred into the Capital Projects Fund.

3 (c-5) (Blank).

4 (c-10) Each year the General Assembly shall appropriate  
5 from the General Revenue Fund to the Education Assistance Fund  
6 an amount equal to the amount paid into the Horse Racing Equity  
7 Fund pursuant to subsection (c-5) in the prior calendar year.

8 (c-15) After the payments required under subsections (b),  
9 (c), and (c-5) have been made, an amount equal to 2% of the  
10 adjusted gross receipts of (1) an owners licensee that  
11 relocates pursuant to Section 11.2, (2) an owners licensee  
12 conducting riverboat gambling operations pursuant to an owners  
13 license that is initially issued after June 25, 1999, or (3)  
14 the first riverboat gambling operations conducted by a  
15 licensed manager on behalf of the State under Section 7.3,  
16 whichever comes first, shall be paid, subject to appropriation  
17 from the General Assembly, from the State Gaming Fund to each  
18 home rule county with a population of over 3,000,000  
19 inhabitants for the purpose of enhancing the county's criminal  
20 justice system.

21 (c-20) Each year the General Assembly shall appropriate  
22 from the General Revenue Fund to the Education Assistance Fund  
23 an amount equal to the amount paid to each home rule county  
24 with a population of over 3,000,000 inhabitants pursuant to  
25 subsection (c-15) in the prior calendar year.

26 (c-21) After the payments required under subsections (b),

1 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), and (c-4) have  
2 been made, an amount equal to 0.5% of the adjusted gross  
3 receipts generated by the owners licensee under paragraph (1)  
4 of subsection (e-5) of Section 7 shall be paid monthly,  
5 subject to appropriation from the General Assembly, from the  
6 State Gaming Fund to the home rule county in which the owners  
7 licensee is located for the purpose of enhancing the county's  
8 criminal justice system.

9 (c-22) After the payments required under subsections (b),  
10 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), (c-4), and  
11 (c-21) have been made, an amount equal to 2% of the adjusted  
12 gross receipts generated by the owners licensee under  
13 paragraph (5) of subsection (e-5) of Section 7 shall be paid,  
14 subject to appropriation from the General Assembly, from the  
15 State Gaming Fund to the home rule county in which the owners  
16 licensee is located for the purpose of enhancing the county's  
17 criminal justice system.

18 (c-25) From July 1, 2013 and each July 1 thereafter  
19 through July 1, 2019, \$1,600,000 shall be transferred from the  
20 State Gaming Fund to the Chicago State University Education  
21 Improvement Fund.

22 On July 1, 2020 and each July 1 thereafter, \$3,000,000  
23 shall be transferred from the State Gaming Fund to the Chicago  
24 State University Education Improvement Fund.

25 (c-30) On July 1, 2013 or as soon as possible thereafter,  
26 \$92,000,000 shall be transferred from the State Gaming Fund to

1 the School Infrastructure Fund and \$23,000,000 shall be  
2 transferred from the State Gaming Fund to the Horse Racing  
3 Equity Fund.

4 (c-35) Beginning on July 1, 2013, in addition to any  
5 amount transferred under subsection (c-30) of this Section,  
6 \$5,530,000 shall be transferred monthly from the State Gaming  
7 Fund to the School Infrastructure Fund.

8 (d) From time to time, through June 30, 2021, the Board  
9 shall transfer the remainder of the funds generated by this  
10 Act into the Education Assistance Fund.

11 (d-5) Beginning on July 1, 2021, on the last day of each  
12 month, or as soon thereafter as possible, after all the  
13 required expenditures, distributions, and transfers have been  
14 made from the State Gaming Fund for the month pursuant to  
15 subsections (b) through (c-35), at the direction of the Board,  
16 the Comptroller shall direct and the Treasurer shall transfer  
17 \$22,500,000, along with any deficiencies in such amounts from  
18 prior months in the same fiscal year, from the State Gaming  
19 Fund to the Education Assistance Fund; then, at the direction  
20 of the Board, the Comptroller shall direct and the Treasurer  
21 shall transfer the remainder of the funds generated by this  
22 Act, if any, from the State Gaming Fund to the Capital Projects  
23 Fund.

24 (e) Nothing in this Act shall prohibit the unit of local  
25 government designated as the home dock of the riverboat from  
26 entering into agreements with other units of local government

1 in this State or in other states to share its portion of the  
2 tax revenue.

3 (f) To the extent practicable, the Board shall administer  
4 and collect the wagering taxes imposed by this Section in a  
5 manner consistent with the provisions of Sections 4, 5, 5a,  
6 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of  
7 the Retailers' Occupation Tax Act and Section 3-7 of the  
8 Uniform Penalty and Interest Act.

9 (Source: P.A. 102-16, eff. 6-17-21; 102-538, eff. 8-20-21;  
10 102-689, eff. 12-17-21; 102-699, eff. 4-19-22; 103-8, eff.  
11 6-7-23; 103-574, eff. 12-8-23.)

12 ARTICLE 165.

13 Section 165-5. The Illinois Local Library Act is amended  
14 by changing Section 4-9 as follows:

15 (75 ILCS 5/4-9) (from Ch. 81, par. 4-9)

16 Sec. 4-9. In townships and in cities, villages and  
17 incorporated towns having a population of 500,000 or less, the  
18 board of trustees shall require the treasurer of such board or  
19 such other person as may be designated as the custodian of the  
20 moneys paid over to such board to give a bond to be approved by  
21 such board and in such amount, not less than 10% ~~50%~~ of the  
22 total funds received by the library in the last fiscal year,  
23 conditioned that he will safely keep and pay over upon the

1 order of such board all funds received and held by him for such  
2 board of trustees. For a library in a city, village,  
3 incorporated town or township, the board of library trustees  
4 may designate the treasurer of the corporate authority, or the  
5 supervisor in the case of a township, as the custodian of the  
6 library fund, and the bond given by the treasurer or the  
7 supervisor shall satisfy the bond requirements of this section  
8 when properly endorsed. The cost of any surety bond shall be  
9 borne by the library. As an alternative to a personal bond on  
10 the treasurer or custodian of funds, the board of trustees may  
11 require the treasurer or custodian to secure for the library  
12 an insurance policy or other insurance instrument that  
13 provides the library with coverage for negligent or  
14 intentional acts by library officials and employees that could  
15 result in the loss of library funds. The coverage shall be in  
16 an amount at least equal to 10% ~~50%~~ of the average amount of  
17 the library's operating fund from the prior 3 fiscal years.  
18 The coverage shall be placed with an insurer approved by the  
19 board. The cost of any such coverage shall be borne by the  
20 library. The library shall provide the Illinois State Library  
21 a copy of the library's certificate of insurance at the time  
22 the library's annual report is filed.

23 (Source: P.A. 97-101, eff. 1-1-12.)

24 Section 165-10. The Illinois Library System Act is amended  
25 by changing Section 5 as follows:

1 (75 ILCS 10/5) (from Ch. 81, par. 115)

2 Sec. 5. Each library system created as provided in Section  
3 4 of this Act shall be governed by a board of directors  
4 numbering at least 5 and no more than 15 persons, except as  
5 required by Section 6 for library systems in cities with a  
6 population of 500,000 or more. The board shall be  
7 representative of the variety of library interests in the  
8 system, and at least a majority shall be elected or selected  
9 from the governing boards of the member public libraries, with  
10 not more than one director representing a single member  
11 library. For library systems as defined in subparagraph (3) of  
12 the definition of "library system" in Section 2, the board  
13 members shall be representative of the types of libraries that  
14 library system serves. The number of directors, the manner of  
15 election or selection, the term of office and the provision  
16 for filling vacancies shall be determined by the system  
17 governing board except that all board members must be eligible  
18 electors in the geographical area of the system. No director  
19 of any library system, however, shall be permitted to serve  
20 for more than a total of 6 years unless 2 years have elapsed  
21 since his sixth year of service.

22 The board of directors shall elect a president, secretary  
23 and treasurer. Before entering upon his duties, the treasurer  
24 shall be required to give a bond in an amount to be approved by  
25 the board, but in no case shall such amount be less than 10%

1 ~~50%~~ of the system's area and per capita grant for the previous  
2 year, conditioned that he will safely keep and pay over upon  
3 the order of such board all funds received and held by him for  
4 the library system. As an alternative to a personal bond on the  
5 treasurer, the board of trustees may require the treasurer to  
6 secure for the system an insurance policy or other insurance  
7 instrument that provides the library with coverage for  
8 negligent or intentional acts by system officials and  
9 employees that could result in the loss of system funds. The  
10 coverage shall be in an amount at least equal to 10% ~~50%~~ of the  
11 average amount of the system's operating fund from the prior 3  
12 fiscal years. The coverage shall be placed with an insurer  
13 approved by the board. The cost of any such coverage shall be  
14 borne by the system. The system shall provide the Illinois  
15 State Library a copy of the system's certificate of insurance  
16 at the time the system's annual report is filed. The funds of  
17 the library system shall be deposited in a bank or savings and  
18 loan association designated by the board of directors and  
19 shall be expended only under the direction of such board upon  
20 properly authenticated vouchers.

21 No bank or savings and loan association shall receive  
22 public funds as permitted by this Section, unless it has  
23 complied with the requirements established pursuant to Section  
24 6 of the Public Funds Investment Act.

25 The members of the board of directors of the library  
26 system shall serve without compensation but their actual and

1 necessary expenses shall be a proper charge against the  
2 library fund.

3 (Source: P.A. 97-101, eff. 1-1-12.)

4 Section 165-15. The Public Library District Act of 1991 is  
5 amended by changing Section 30-45 as follows:

6 (75 ILCS 16/30-45)

7 Sec. 30-45. Duties of officers.

8 (a) The duties of the officers of the board are as provided  
9 in this Section.

10 (b) The president shall preside over all meetings, appoint  
11 members of committees authorized by the district's  
12 regulations, and perform other duties specified by the  
13 district's regulations, ordinances, or other appropriate  
14 action. In the president's absence, the vice president shall  
15 preside at meetings. The president shall not have or exercise  
16 veto powers.

17 (c) The vice president's duties shall be prescribed by  
18 regulations.

19 (d) The treasurer shall keep and maintain accounts and  
20 records of the district during the treasurer's term in office,  
21 indicating in those accounts and records a record of all  
22 receipts, disbursements, and balances in any funds.

23 Annual audit and financial report requirements shall  
24 conform with Section 3 of the Governmental Account Audit Act.



1           (e) The treasurer shall give bond to the district to  
2 faithfully discharge the duties of the office and to account  
3 to the district for all district funds coming into the  
4 treasurer's hands. The bond shall be in an amount and with  
5 sureties approved by the board. The amount of the bond shall be  
6 based upon a minimum of 10% ~~50%~~ of the total funds received by  
7 the district in the last previous fiscal year. The cost of any  
8 surety bond shall be borne by the district. As an alternative  
9 to a personal bond on the treasurer, the treasurer may secure  
10 for the district an insurance policy or other insurance  
11 instrument that provides the district with coverage for  
12 negligent or intentional acts by district officials and  
13 employees that could result in the loss of district funds. The  
14 coverage shall be in an amount at least equal to 10% ~~50%~~ of the  
15 average amount of the district's operating fund from the prior  
16 3 fiscal years. The coverage shall be placed with an insurer  
17 approved by the board. The cost of any such coverage shall be  
18 borne by the district. The system shall provide the Illinois  
19 State Library a copy of the district's certificate of  
20 insurance at the time the district's annual report is filed.

21           (f) Any person, entity, or public body or agency  
22 possessing district funds, property, or records shall, upon  
23 demand by any trustee, transfer and release the funds,  
24 property, or records to the treasurer.

25           (g) The secretary shall keep and maintain appropriate  
26 records for his or her term in office and shall include in

1 those records a record of the minutes of all meetings, the  
2 names of those in attendance, the ordinances enacted, the  
3 resolutions and regulations adopted, and all other pertinent  
4 written matter affecting the operation of the district. The  
5 secretary may administer oaths and affirmations for the  
6 purposes of this Act.

7 (Source: P.A. 97-101, eff. 1-1-12.)

8 ARTICLE 170.

9 Section 170-1. Short title. This Act may be cited as the  
10 Illinois Gives Tax Credit Act. References in this Article to  
11 "this Act" mean this Article.

12 Section 170-5. Definitions. As used in this Act:

13 "Business entity" means a corporation (including a  
14 Subchapter S corporation), trust, estate, partnership, limited  
15 liability company, or sole proprietorship.

16 "Credit-eligible endowment gift" means an endowment gift  
17 for which a taxpayer intends to apply for an income tax credit  
18 under this Act.

19 "Department" means the Department of Revenue.

20 "Donor advised fund" has the meaning given to that term in  
21 subsection (d) of Section 4966 of the Internal Revenue Code of  
22 1986.

23 "Endowment gift" means an irrevocable contribution to a

1 permanent endowment fund held by a qualified community  
2 foundation.

3 "Permanent endowment fund" means a fund that (i) is held  
4 by a qualified community foundation, (ii) provides charitable  
5 grants exclusively for the benefit of residents of the State  
6 or charities and charitable projects located in the State,  
7 (iii) is intended to exist in perpetuity, (iv) has an annual  
8 spending rate based on the foundation spending policy, but not  
9 to exceed 7%, and (v) is not a donor advised fund.

10 "Qualified community foundation" means a community  
11 foundation or similar publicly supported organization  
12 described in Section 170 (b) (1) (A) (vi) of the Internal Revenue  
13 Code of 1986 that is organized or operating in this State and  
14 that substantially complies with the national standards for  
15 U.S. community foundations established by the Community  
16 Foundations National Standards, as determined by the  
17 Department.

18 "Taxpayer" means any individual who is subject to the tax  
19 imposed under subsections (a) and (b) of Section 201 of the  
20 Illinois Income Tax Act or any business entity that is subject  
21 to the tax imposed under subsections (a) and (b) of Section 201  
22 of the Illinois Income Tax Act.

23 Section 170-10. Tax credit awards; limitations.

24 (a) For taxable years ending on or after December 31, 2025  
25 and ending before January 1, 2030, the Department shall award,

1 in accordance with this Act, income tax credits to taxpayers  
2 who provide an endowment gift to a permanent endowment fund  
3 during the taxable year and receive a certificate of receipt  
4 under Section 170-15 for that gift. Subject to the limitations  
5 in this Section, the amount of the credit that may be awarded  
6 to a taxpayer by the Department under this Act is an amount  
7 equal to 25% of the endowment gift.

8 (b) The aggregate amount of all Illinois Gives tax credits  
9 awarded by the Department under this Act in any calendar year  
10 may not exceed \$5,000,000.

11 (c) The aggregate amount of all Illinois Gives tax credits  
12 that the Department may award to any taxpayer under this Act in  
13 any calendar year may not exceed \$100,000.

14 (d) The amount of contributions to any specific qualified  
15 community foundation that are eligible for Illinois Gives tax  
16 credits under this Section in any calendar year shall not  
17 exceed \$3,000,000.

18 (e) Of the annual amount available for tax credits, 25%  
19 must be reserved for endowment gifts that do not exceed the  
20 small gift maximum set forth in this subsection. The small  
21 gift maximum is \$25,000. For purposes of determining if a  
22 donation meets the small gift maximum, the amount of the  
23 credit authorization certificate under Section 170-15 shall be  
24 used.

25 (f) For the purpose of this Section, a credit is  
26 considered to be awarded on the date the Department issues an

1 approved contribution authorization certificate under Section  
2 170-15.

3 Section 170-15. Applications for tax credits.

4 (a) The taxpayer shall apply to the Department, in the  
5 form and manner prescribed by the Department, for a  
6 contribution authorization certificate. A taxpayer who makes  
7 more than one credit-eligible endowment gift must make a  
8 separate application for each contribution authorization  
9 certificate. Applications under this subsection shall be  
10 reviewed by the Department and shall either be approved or  
11 denied. Each approved contribution authorization certificate  
12 shall be sent to the taxpayer within 3 business days after the  
13 certificate is approved. The Department shall maintain on its  
14 website a running total of: (i) the total amount of credits  
15 remaining under this Act for which taxpayers may apply for a  
16 contribution authorization certificate issued in the calendar  
17 year; (ii) the total amount of credits allocated during the  
18 calendar year for each specific community foundation; and  
19 (iii) the total amount remaining for the calendar year under  
20 the small gift maximum set forth in Section 170-10. Those  
21 running totals shall be updated every business day.

22 (b) The taxpayer shall make the endowment gift to the  
23 permanent endowment fund either prior to or within 10 business  
24 days after the taxpayer receives the approved contribution  
25 authorization certificate under subsection (a). The qualified

1 community foundation shall, within 30 business days after  
2 receipt of an endowment gift for which a contribution  
3 authorization certificate has been approved by the Department  
4 under subsection (a), issue to the taxpayer a written  
5 certificate of receipt, which shall contain the information  
6 required by the Department by rule. No receipt shall be issued  
7 for amounts that are not actually received by the qualified  
8 community foundation within 10 business days after the  
9 taxpayer receives the approved contribution authorization  
10 certificate.

11 Section 170-20. Approval to issue certificates of receipt.

12 (a) A qualified community foundation shall submit an  
13 application for approval to issue certificates of receipt, in  
14 the form and manner prescribed by the Department, provided  
15 that each application shall include:

16 (1) documentary evidence that the qualified community  
17 foundation meets the qualifications under Section  
18 170(b)(1)(A)(vi) of the Internal Revenue Code and  
19 substantially complies with the standards established by  
20 Community Foundations National Standards;

21 (2) certification that the qualified community  
22 foundation holds a permanent endowment fund meeting the  
23 criteria established in Section 170-5;

24 (3) a list of the names and addresses of all members of  
25 the governing board of the qualified community foundation;

1 and

2 (4) a copy of the most recent financial audit of the  
3 qualified community foundation's accounts and records  
4 conducted by an independent certified public accountant in  
5 accordance with auditing standards generally accepted in  
6 the United States, government auditing standards, and  
7 rules adopted by the Department.

8 (b) The Department shall review and either approve or deny  
9 each application to issue certificates of receipt pursuant to  
10 this Act. Approval or denial of an application shall be made on  
11 a periodic basis. Applicants shall be notified of the  
12 Department's determination within 30 business days after the  
13 application is received.

14 Section 170-25. Certificates of receipt.

15 (a) No qualified community foundation shall issue a  
16 certificate of receipt for any qualified contribution made by  
17 a taxpayer under this Act unless that qualified community  
18 foundation has been approved to issue certificates of receipt  
19 pursuant to Section 170-20 of this Act.

20 (b) No qualified community foundation shall issue a  
21 certificate of receipt for a contribution made by a taxpayer  
22 unless the taxpayer has been issued a credit authorization  
23 certificate by the Department.

24 (c) If a taxpayer makes a contribution to a qualified  
25 community foundation prior to the date by which the authorized

1 contribution shall be made as provided in Section 170-15, the  
2 qualified community foundation shall, within 30 business days  
3 after receipt of the authorized contribution, issue to the  
4 taxpayer a written certificate of receipt.

5 (d) If a taxpayer fails to make all or a portion of a  
6 contribution prior to the date by which such authorized  
7 contribution is required to be made, the taxpayer shall not be  
8 entitled to a certificate of receipt for that portion of the  
9 authorized contribution not made.

10 (e) Each certificate of receipt shall state:

11 (1) the name and address of the issuing qualified  
12 community foundation;

13 (2) the taxpayer's name and address;

14 (3) the date of each qualified contribution;

15 (4) the amount of each qualified contribution;

16 (5) the total qualified contribution amount; and

17 (6) any other information that the Department deems  
18 necessary.

19 (f) Upon the issuance of a certificate of receipt, the  
20 issuing qualified community foundation shall, within 10  
21 business days after issuing the certificate of receipt,  
22 provide the Department with notification of the issuance of  
23 such certificate, in the form and manner prescribed by the  
24 Department, provided that such notification shall include:

25 (1) the taxpayer's name and address;

26 (2) the date of the issuance of a certificate of



1 receipt;

2 (3) the qualified contribution date or dates and the  
3 amounts contributed on such dates;

4 (4) the total qualified contribution listed on such  
5 certificates;

6 (5) the issuing qualified community foundation's name  
7 and address; and

8 (6) any other information the Department may deem  
9 necessary.

10 (g) Any portion of a contribution that a taxpayer fails to  
11 make by the date indicated on the authorized contribution  
12 certificate shall no longer be deducted from the cap  
13 prescribed in Section 170-10 of this Act.

14 Section 170-30. Annual report. By March 31, 2026, and by  
15 March 31 of each subsequent year, the Department must submit  
16 an annual report to the Governor and the General Assembly  
17 concerning the activities conducted under this Act during the  
18 previous calendar year. The report must include a detailed  
19 listing of tax credits authorized under this Act by the  
20 Department. The report may not disclose any information if the  
21 disclosure would violate Section 917 of the Illinois Income  
22 Tax Act.

23 Section 170-35. Rulemaking. The Department may adopt rules  
24 for the implementation of this Act.

1           Section 170-90. The Illinois Income Tax Act is amended by  
2 changing Section 203 and by adding Section 241 as follows:

3           (35 ILCS 5/203)

4           Sec. 203. Base income defined.

5           (a) Individuals.

6           (1) In general. In the case of an individual, base  
7 income means an amount equal to the taxpayer's adjusted  
8 gross income for the taxable year as modified by paragraph  
9 (2).

10          (2) Modifications. The adjusted gross income referred  
11 to in paragraph (1) shall be modified by adding thereto  
12 the sum 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 adjusted gross income, except  
17 stock dividends of qualified public utilities  
18 described in Section 305(e) of the Internal Revenue  
19 Code;

20           (B) An amount equal to the amount of tax imposed by  
21 this Act to the extent deducted from gross income in  
22 the computation of adjusted gross income for the  
23 taxable year;

24           (C) An amount equal to the amount received during

1           the taxable year as a recovery or refund of real  
2           property taxes paid with respect to the taxpayer's  
3           principal residence under the Revenue Act of 1939 and  
4           for which a deduction was previously taken under  
5           subparagraph (L) of this paragraph (2) prior to July  
6           1, 1991, the retrospective application date of Article  
7           4 of Public Act 87-17. In the case of multi-unit or  
8           multi-use structures and farm dwellings, the taxes on  
9           the taxpayer's principal residence shall be that  
10          portion of the total taxes for the entire property  
11          which is attributable to such principal residence;

12           (D) An amount equal to the amount of the capital  
13          gain deduction allowable under the Internal Revenue  
14          Code, to the extent deducted from gross income in the  
15          computation of adjusted gross income;

16           (D-5) An amount, to the extent not included in  
17          adjusted gross income, equal to the amount of money  
18          withdrawn by the taxpayer in the taxable year from a  
19          medical care savings account and the interest earned  
20          on the account in the taxable year of a withdrawal  
21          pursuant to subsection (b) of Section 20 of the  
22          Medical Care Savings Account Act or subsection (b) of  
23          Section 20 of the Medical Care Savings Account Act of  
24          2000;

25           (D-10) For taxable years ending after December 31,  
26          1997, an amount equal to any eligible remediation

1 costs that the individual deducted in computing  
2 adjusted gross income and for which the individual  
3 claims a credit under subsection (l) of Section 201;

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

9 (D-16) If the taxpayer sells, transfers, abandons,  
10 or otherwise disposes of property for which the  
11 taxpayer was required in any taxable year to make an  
12 addition modification under subparagraph (D-15), then  
13 an amount equal to the aggregate amount of the  
14 deductions taken in all taxable years under  
15 subparagraph (Z) with respect to that property.

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

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

26 (D-17) An amount equal to the amount otherwise

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

1 This paragraph shall not apply to the following:

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

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

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

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

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

1 and terms and the principal purpose for the  
2 payment is not federal or Illinois tax avoidance;  
3 or

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

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

20 (D-18) An amount equal to the amount of intangible  
21 expenses and costs otherwise allowed as a deduction in  
22 computing base income, and that were paid, accrued, or  
23 incurred, directly or indirectly, (i) for taxable  
24 years ending on or after December 31, 2004, to a  
25 foreign person who would be a member of the same  
26 unitary business group but for the fact that the

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



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

13 This paragraph shall not apply to the following:

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

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

26 (a) the person during the same taxable

1 year paid, accrued, or incurred, the  
2 intangible expense or cost to a person that is  
3 not a related member, and

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

11 (iii) any item of intangible expense or cost  
12 paid, accrued, or incurred, directly or  
13 indirectly, from a transaction with a person if  
14 the taxpayer establishes by clear and convincing  
15 evidence, that the adjustments are unreasonable;  
16 or if the taxpayer and the Director agree in  
17 writing to the application or use of an  
18 alternative method of apportionment under Section  
19 304(f);

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

1           and standards by which the Department will utilize  
2           its authority under Section 404 of this Act;

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

1 the addition modification required under Section  
2 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this  
3 Act;

4 (D-20) For taxable years beginning on or after  
5 January 1, 2002 and ending on or before December 31,  
6 2006, in the case of a distribution from a qualified  
7 tuition program under Section 529 of the Internal  
8 Revenue Code, other than (i) a distribution from a  
9 College Savings Pool created under Section 16.5 of the  
10 State Treasurer Act or (ii) a distribution from the  
11 Illinois Prepaid Tuition Trust Fund, an amount equal  
12 to the amount excluded from gross income under Section  
13 529(c)(3)(B). For taxable years beginning on or after  
14 January 1, 2007, in the case of a distribution from a  
15 qualified tuition program under Section 529 of the  
16 Internal Revenue Code, other than (i) a distribution  
17 from a College Savings Pool created under Section 16.5  
18 of the State Treasurer Act, (ii) a distribution from  
19 the Illinois Prepaid Tuition Trust Fund, or (iii) a  
20 distribution from a qualified tuition program under  
21 Section 529 of the Internal Revenue Code that (I)  
22 adopts and determines that its offering materials  
23 comply with the College Savings Plans Network's  
24 disclosure principles and (II) has made reasonable  
25 efforts to inform in-state residents of the existence  
26 of in-state qualified tuition programs by informing

1 Illinois residents directly and, where applicable, to  
2 inform financial intermediaries distributing the  
3 program to inform in-state residents of the existence  
4 of in-state qualified tuition programs at least  
5 annually, an amount equal to the amount excluded from  
6 gross income under Section 529(c) (3) (B).

7 For the purposes of this subparagraph (D-20), a  
8 qualified tuition program has made reasonable efforts  
9 if it makes disclosures (which may use the term  
10 "in-state program" or "in-state plan" and need not  
11 specifically refer to Illinois or its qualified  
12 programs by name) (i) directly to prospective  
13 participants in its offering materials or makes a  
14 public disclosure, such as a website posting; and (ii)  
15 where applicable, to intermediaries selling the  
16 out-of-state program in the same manner that the  
17 out-of-state program distributes its offering  
18 materials;

19 (D-20.5) For taxable years beginning on or after  
20 January 1, 2018, in the case of a distribution from a  
21 qualified ABLE program under Section 529A of the  
22 Internal Revenue Code, other than a distribution from  
23 a qualified ABLE program created under Section 16.6 of  
24 the State Treasurer Act, an amount equal to the amount  
25 excluded from gross income under Section 529A(c) (1) (B)  
26 of the Internal Revenue Code;

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

8           (D-21.5) For taxable years beginning on or after  
9           January 1, 2018, in the case of the transfer of moneys  
10          from a qualified tuition program under Section 529 or  
11          a qualified ABLE program under Section 529A of the  
12          Internal Revenue Code that is administered by this  
13          State to an ABLE account established under an  
14          out-of-state ABLE account program, an amount equal to  
15          the contribution component of the transferred amount  
16          that was previously deducted from base income under  
17          subsection (a) (2) (Y) or subsection (a) (2) (HH) of this  
18          Section;

19          (D-22) For taxable years beginning on or after  
20          January 1, 2009, and prior to January 1, 2018, in the  
21          case of a nonqualified withdrawal or refund of moneys  
22          from a qualified tuition program under Section 529 of  
23          the Internal Revenue Code administered by the State  
24          that is not used for qualified expenses at an eligible  
25          education institution, an amount equal to the  
26          contribution component of the nonqualified withdrawal

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

22 (D-23) An amount equal to the credit allowable to  
23 the taxpayer under Section 218(a) of this Act,  
24 determined without regard to Section 218(c) of this  
25 Act;

26 (D-24) For taxable years ending on or after

1 December 31, 2017, an amount equal to the deduction  
2 allowed under Section 199 of the Internal Revenue Code  
3 for the taxable year;

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

7 and by deducting from the total so obtained the sum of the  
8 following amounts:

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



1 limited to any compensation paid or accrued to a  
2 serviceman while a prisoner of war or missing in  
3 action) paid to a resident by reason of being a member  
4 of any component of the Armed Forces of the United  
5 States and in respect of any compensation paid or  
6 accrued to a resident who as a governmental employee  
7 was a prisoner of war or missing in action, and in  
8 respect of any compensation paid to a resident in 2001  
9 or thereafter by reason of being a member of the  
10 Illinois National Guard or, beginning with taxable  
11 years ending on or after December 31, 2007, the  
12 National Guard of any other state. The provisions of  
13 this subparagraph (E) are exempt from the provisions  
14 of Section 250;

15 (F) An amount equal to all amounts included in  
16 such total pursuant to the provisions of Sections  
17 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and  
18 408 of the Internal Revenue Code, or included in such  
19 total as distributions under the provisions of any  
20 retirement or disability plan for employees of any  
21 governmental agency or unit, or retirement payments to  
22 retired partners, which payments are excluded in  
23 computing net earnings from self employment by Section  
24 1402 of the Internal Revenue Code and regulations  
25 adopted pursuant thereto;

26 (G) The valuation limitation amount;

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

4           (I) An amount equal to all amounts included in  
5 such total pursuant to the provisions of Section 111  
6 of the Internal Revenue Code as a recovery of items  
7 previously deducted from adjusted gross income in the  
8 computation of taxable income;

9           (J) An amount equal to those dividends included in  
10 such total which were paid by a corporation which  
11 conducts business operations in a River Edge  
12 Redevelopment Zone or zones created under the River  
13 Edge Redevelopment Zone Act, and conducts  
14 substantially all of its operations in a River Edge  
15 Redevelopment Zone or zones. This subparagraph (J) is  
16 exempt from the provisions of Section 250;

17           (K) An amount equal to those dividends included in  
18 such total that were paid by a corporation that  
19 conducts business operations in a federally designated  
20 Foreign Trade Zone or Sub-Zone and that is designated  
21 a High Impact Business located in Illinois; provided  
22 that dividends eligible for the deduction provided in  
23 subparagraph (J) of paragraph (2) of this subsection  
24 shall not be eligible for the deduction provided under  
25 this subparagraph (K);

26           (L) For taxable years ending after December 31,

1 1983, an amount equal to all social security benefits  
2 and railroad retirement benefits included in such  
3 total pursuant to Sections 72(r) and 86 of the  
4 Internal Revenue Code;

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

22 (N) An amount equal to all amounts included in  
23 such total which are exempt from taxation by this  
24 State either by reason of its statutes or Constitution  
25 or by reason of the Constitution, treaties or statutes  
26 of the United States; provided that, in the case of any

1 statute of this State that exempts income derived from  
2 bonds or other obligations from the tax imposed under  
3 this Act, the amount exempted shall be the interest  
4 net of bond premium amortization;

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

8 (P) An amount equal to the amount of the deduction  
9 used to compute the federal income tax credit for  
10 restoration of substantial amounts held under claim of  
11 right for the taxable year pursuant to Section 1341 of  
12 the Internal Revenue Code or of any itemized deduction  
13 taken from adjusted gross income in the computation of  
14 taxable income for restoration of substantial amounts  
15 held under claim of right for the taxable year;

16 (Q) An amount equal to any amounts included in  
17 such total, received by the taxpayer as an  
18 acceleration in the payment of life, endowment or  
19 annuity benefits in advance of the time they would  
20 otherwise be payable as an indemnity for a terminal  
21 illness;

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

24 (S) An amount, to the extent included in adjusted  
25 gross income, equal to the amount of a contribution  
26 made in the taxable year on behalf of the taxpayer to a

1 medical care savings account established under the  
2 Medical Care Savings Account Act or the Medical Care  
3 Savings Account Act of 2000 to the extent the  
4 contribution is accepted by the account administrator  
5 as provided in that Act;

6 (T) An amount, to the extent included in adjusted  
7 gross income, equal to the amount of interest earned  
8 in the taxable year on a medical care savings account  
9 established under the Medical Care Savings Account Act  
10 or the Medical Care Savings Account Act of 2000 on  
11 behalf of the taxpayer, other than interest added  
12 pursuant to item (D-5) of this paragraph (2);

13 (U) For one taxable year beginning on or after  
14 January 1, 1994, an amount equal to the total amount of  
15 tax imposed and paid under subsections (a) and (b) of  
16 Section 201 of this Act on grant amounts received by  
17 the taxpayer under the Nursing Home Grant Assistance  
18 Act during the taxpayer's taxable years 1992 and 1993;

19 (V) Beginning with tax years ending on or after  
20 December 31, 1995 and ending with tax years ending on  
21 or before December 31, 2004, an amount equal to the  
22 amount paid by a taxpayer who is a self-employed  
23 taxpayer, a partner of a partnership, or a shareholder  
24 in a Subchapter S corporation for health insurance or  
25 long-term care insurance for that taxpayer or that  
26 taxpayer's spouse or dependents, to the extent that

1 the amount paid for that health insurance or long-term  
2 care insurance may be deducted under Section 213 of  
3 the Internal Revenue Code, has not been deducted on  
4 the federal income tax return of the taxpayer, and  
5 does not exceed the taxable income attributable to  
6 that taxpayer's income, self-employment income, or  
7 Subchapter S corporation income; except that no  
8 deduction shall be allowed under this item (V) if the  
9 taxpayer is eligible to participate in any health  
10 insurance or long-term care insurance plan of an  
11 employer of the taxpayer or the taxpayer's spouse. The  
12 amount of the health insurance and long-term care  
13 insurance subtracted under this item (V) shall be  
14 determined by multiplying total health insurance and  
15 long-term care insurance premiums paid by the taxpayer  
16 times a number that represents the fractional  
17 percentage of eligible medical expenses under Section  
18 213 of the Internal Revenue Code of 1986 not actually  
19 deducted on the taxpayer's federal income tax return;

20 (W) For taxable years beginning on or after  
21 January 1, 1998, all amounts included in the  
22 taxpayer's federal gross income in the taxable year  
23 from amounts converted from a regular IRA to a Roth  
24 IRA. This paragraph is exempt from the provisions of  
25 Section 250;

26 (X) For taxable year 1999 and thereafter, an

1 amount equal to the amount of any (i) distributions,  
2 to the extent includible in gross income for federal  
3 income tax purposes, made to the taxpayer because of  
4 his or her status as a victim of persecution for racial  
5 or religious reasons by Nazi Germany or any other Axis  
6 regime or as an heir of the victim and (ii) items of  
7 income, to the extent includible in gross income for  
8 federal income tax purposes, attributable to, derived  
9 from or in any way related to assets stolen from,  
10 hidden from, or otherwise lost to a victim of  
11 persecution for racial or religious reasons by Nazi  
12 Germany or any other Axis regime immediately prior to,  
13 during, and immediately after World War II, including,  
14 but not limited to, interest on the proceeds  
15 receivable as insurance under policies issued to a  
16 victim of persecution for racial or religious reasons  
17 by Nazi Germany or any other Axis regime by European  
18 insurance companies immediately prior to and during  
19 World War II; provided, however, this subtraction from  
20 federal adjusted gross income does not apply to assets  
21 acquired with such assets or with the proceeds from  
22 the sale of such assets; provided, further, this  
23 paragraph shall only apply to a taxpayer who was the  
24 first recipient of such assets after their recovery  
25 and who is a victim of persecution for racial or  
26 religious reasons by Nazi Germany or any other Axis

1 regime or as an heir of the victim. The amount of and  
2 the eligibility for any public assistance, benefit, or  
3 similar entitlement is not affected by the inclusion  
4 of items (i) and (ii) of this paragraph in gross income  
5 for federal income tax purposes. This paragraph is  
6 exempt from the provisions of Section 250;

7 (Y) For taxable years beginning on or after  
8 January 1, 2002 and ending on or before December 31,  
9 2004, moneys contributed in the taxable year to a  
10 College Savings Pool account under Section 16.5 of the  
11 State Treasurer Act, except that amounts excluded from  
12 gross income under Section 529(c)(3)(C)(i) of the  
13 Internal Revenue Code shall not be considered moneys  
14 contributed under this subparagraph (Y). For taxable  
15 years beginning on or after January 1, 2005, a maximum  
16 of \$10,000 contributed in the taxable year to (i) a  
17 College Savings Pool account under Section 16.5 of the  
18 State Treasurer Act or (ii) the Illinois Prepaid  
19 Tuition Trust Fund, except that amounts excluded from  
20 gross income under Section 529(c)(3)(C)(i) of the  
21 Internal Revenue Code shall not be considered moneys  
22 contributed under this subparagraph (Y). For purposes  
23 of this subparagraph, contributions made by an  
24 employer on behalf of an employee, or matching  
25 contributions made by an employee, shall be treated as  
26 made by the employee. This subparagraph (Y) is exempt



1 from the provisions of Section 250;

2 (Z) For taxable years 2001 and thereafter, for the  
3 taxable year in which the bonus depreciation deduction  
4 is taken on the taxpayer's federal income tax return  
5 under subsection (k) of Section 168 of the Internal  
6 Revenue Code and for each applicable taxable year  
7 thereafter, an amount equal to "x", where:

8 (1) "y" equals the amount of the depreciation  
9 deduction taken for the taxable year on the  
10 taxpayer's federal income tax return on property  
11 for which the bonus depreciation deduction was  
12 taken in any year under subsection (k) of Section  
13 168 of the Internal Revenue Code, but not  
14 including the bonus depreciation deduction;

15 (2) for taxable years ending on or before  
16 December 31, 2005, "x" equals "y" multiplied by 30  
17 and then divided by 70 (or "y" multiplied by  
18 0.429); and

19 (3) for taxable years ending after December  
20 31, 2005:

21 (i) for property on which a bonus  
22 depreciation deduction of 30% of the adjusted  
23 basis was taken, "x" equals "y" multiplied by  
24 30 and then divided by 70 (or "y" multiplied  
25 by 0.429);

26 (ii) for property on which a bonus

1 depreciation deduction of 50% of the adjusted  
2 basis was taken, "x" equals "y" multiplied by  
3 1.0;

4 (iii) for property on which a bonus  
5 depreciation deduction of 100% of the adjusted  
6 basis was taken in a taxable year ending on or  
7 after December 31, 2021, "x" equals the  
8 depreciation deduction that would be allowed  
9 on that property if the taxpayer had made the  
10 election under Section 168(k)(7) of the  
11 Internal Revenue Code to not claim bonus  
12 depreciation on that property; and

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

23 The aggregate amount deducted under this  
24 subparagraph in all taxable years for any one piece of  
25 property may not exceed the amount of the bonus  
26 depreciation deduction taken on that property on the

1 taxpayer's federal income tax return under subsection  
2 (k) of Section 168 of the Internal Revenue Code. This  
3 subparagraph (Z) is exempt from the provisions of  
4 Section 250;

5 (AA) 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 (D-15), then  
9 an amount equal to that addition modification.

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 required in any taxable year to make an addition  
15 modification under subparagraph (D-15), then an amount  
16 equal to that addition modification.

17 The taxpayer is allowed to take the deduction  
18 under this subparagraph only once with respect to any  
19 one piece of property.

20 This subparagraph (AA) is exempt from the  
21 provisions of Section 250;

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

25 (CC) 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 that 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 that  
14 addition modification. This subparagraph (CC) is  
15 exempt from the provisions of Section 250;

16 (DD) 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 that the foreign person's business  
22 activity outside the United States is 80% or more of  
23 that person's total business activity and (ii) for  
24 taxable years ending on or after December 31, 2008, to  
25 a person who would be a member of the same unitary  
26 business group but for the fact that the person is

1 prohibited under Section 1501(a)(27) from being  
2 included in the unitary business group because he or  
3 she is ordinarily required to apportion business  
4 income under different subsections of Section 304, but  
5 not to exceed the addition modification required to be  
6 made for the same taxable year under Section  
7 203(a)(2)(D-17) for interest paid, accrued, or  
8 incurred, directly or indirectly, to the same person.  
9 This subparagraph (DD) is exempt from the provisions  
10 of Section 250;

11 (EE) An amount equal to the income from intangible  
12 property taken into account for the taxable year (net  
13 of the 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(a)(2)(D-18) for intangible expenses and costs  
3           paid, accrued, or incurred, directly or indirectly, to  
4           the same foreign person. This subparagraph (EE) is  
5           exempt from the provisions of Section 250;

6           (FF) An amount equal to any amount awarded to the  
7           taxpayer during the taxable year by the Court of  
8           Claims under subsection (c) of Section 8 of the Court  
9           of Claims Act for time unjustly served in a State  
10          prison. This subparagraph (FF) is exempt from the  
11          provisions of Section 250;

12          (GG) 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(a)(2)(D-19), 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          (GG), 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 (GG). This  
26          subparagraph (GG) is exempt from the provisions of

1 Section 250;

2 (HH) For taxable years beginning on or after  
3 January 1, 2018 and prior to January 1, 2028, a maximum  
4 of \$10,000 contributed in the taxable year to a  
5 qualified ABLE account under Section 16.6 of the State  
6 Treasurer Act, except that amounts excluded from gross  
7 income under Section 529(c)(3)(C)(i) or Section  
8 529A(c)(1)(C) of the Internal Revenue Code shall not  
9 be considered moneys contributed under this  
10 subparagraph (HH). For purposes of this subparagraph  
11 (HH), contributions made by an employer on behalf of  
12 an employee, or matching contributions made by an  
13 employee, shall be treated as made by the employee;

14 (II) For taxable years that begin on or after  
15 January 1, 2021 and begin before January 1, 2026, the  
16 amount that is included in the taxpayer's federal  
17 adjusted gross income pursuant to Section 61 of the  
18 Internal Revenue Code as discharge of indebtedness  
19 attributable to student loan forgiveness and that is  
20 not excluded from the taxpayer's federal adjusted  
21 gross income pursuant to paragraph (5) of subsection  
22 (f) of Section 108 of the Internal Revenue Code; ~~and~~

23 (JJ) For taxable years beginning on or after  
24 January 1, 2023, for any cannabis establishment  
25 operating in this State and licensed under the  
26 Cannabis Regulation and Tax Act or any cannabis

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

10 (KK) ~~(JJ)~~ To the extent includible in gross income  
11 for federal income tax purposes, any amount awarded or  
12 paid to the taxpayer as a result of a judgment or  
13 settlement for fertility fraud as provided in Section  
14 15 of the Illinois Fertility Fraud Act, donor  
15 fertility fraud as provided in Section 20 of the  
16 Illinois Fertility Fraud Act, or similar action in  
17 another state.

18 (b) Corporations.

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

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

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



1 to the taxpayer as interest and all distributions  
2 received from regulated investment companies during  
3 the taxable year to the extent excluded from gross  
4 income in the computation of taxable income;

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

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

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

23 (E) For taxable years in which a net operating  
24 loss carryback or carryforward from a taxable year  
25 ending prior to December 31, 1986 is an element of  
26 taxable income under paragraph (1) of subsection (e)

1           or subparagraph (E) of paragraph (2) of subsection  
2           (e), the amount by which addition modifications other  
3           than those provided by this subparagraph (E) exceeded  
4           subtraction modifications in such earlier taxable  
5           year, with the following limitations applied in the  
6           order that they are listed:

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

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

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

1           (E-5) For taxable years ending after December 31,  
2           1997, an amount equal to any eligible remediation  
3           costs that the corporation deducted in computing  
4           adjusted gross income and for which the corporation  
5           claims a credit under subsection (l) of Section 201;

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

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

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

25          The taxpayer is required to make the addition  
26          modification under this subparagraph only once with

1           respect to any one piece of property;

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

1 the same person to whom the interest was paid,  
2 accrued, or incurred.

3 This paragraph shall not apply to the following:

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

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

15 (a) the person, during the same taxable  
16 year, paid, accrued, or incurred, the interest  
17 to a person that is not a related member, and

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

25 (iii) the taxpayer can establish, based on  
26 clear and convincing evidence, that the interest

1           paid, accrued, or incurred relates to a contract  
2           or agreement entered into at arm's-length rates  
3           and terms and the principal purpose for the  
4           payment is not federal or Illinois tax avoidance;  
5           or

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

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

22                   (E-13) An amount equal to the amount of intangible  
23          expenses and costs otherwise allowed as a deduction in  
24          computing base income, and that were paid, accrued, or  
25          incurred, directly or indirectly, (i) for taxable  
26          years ending on or after December 31, 2004, to a

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

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

15                 This paragraph shall not apply to the following:

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

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



1 following:

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

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

13 (iii) any item of intangible expense or cost  
14 paid, accrued, or incurred, directly or  
15 indirectly, from a transaction with a person if  
16 the taxpayer establishes by clear and convincing  
17 evidence, that the adjustments are unreasonable;  
18 or if the taxpayer and the Director agree in  
19 writing to the application or use of an  
20 alternative method of apportionment under Section  
21 304(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           (E-14) For taxable years ending on or after  
6           December 31, 2008, an amount equal to the amount of  
7           insurance premium expenses and costs otherwise allowed  
8           as a deduction in computing base income, and that were  
9           paid, accrued, or incurred, directly or indirectly, 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. The  
16          addition modification required by this subparagraph  
17          shall be reduced to the extent that dividends were  
18          included in base income of the unitary group for the  
19          same taxable year and received by the taxpayer or by a  
20          member of the taxpayer's unitary business group  
21          (including amounts included in gross income under  
22          Sections 951 through 964 of the Internal Revenue Code  
23          and amounts included in gross income under Section 78  
24          of the Internal Revenue Code) with respect to the  
25          stock of the same person to whom the premiums and costs  
26          were directly or indirectly paid, incurred, or

1 accrued. The preceding sentence does not apply to the  
2 extent that the same dividends caused a reduction to  
3 the addition modification required under Section  
4 203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this  
5 Act;

6 (E-15) For taxable years beginning after December  
7 31, 2008, any deduction for dividends paid by a  
8 captive real estate investment trust that is allowed  
9 to a real estate investment trust under Section  
10 857(b)(2)(B) of the Internal Revenue Code for  
11 dividends paid;

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

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

20 (E-18) for taxable years beginning after December  
21 31, 2018, an amount equal to the deduction allowed  
22 under Section 250(a)(1)(A) of the Internal Revenue  
23 Code for the taxable year;

24 (E-19) for taxable years ending on or after June  
25 30, 2021, an amount equal to the deduction allowed  
26 under Section 250(a)(1)(B)(i) of the Internal Revenue

1 Code for the taxable year;

2 (E-20) for taxable years ending on or after June  
3 30, 2021, an amount equal to the deduction allowed  
4 under Sections 243(e) and 245A(a) of the Internal  
5 Revenue Code for the taxable year; -

6 (E-21) the amount that is claimed as a federal  
7 deduction when computing the taxpayer's federal  
8 taxable income for the taxable year and that is  
9 attributable to an endowment gift for which the  
10 taxpayer receives a credit under the Illinois Gives  
11 Tax Credit Act;

12 and by deducting from the total so obtained the sum of the  
13 following amounts:

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

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

19 (H) In the case of a regulated investment company,  
20 an amount equal to the amount of exempt interest  
21 dividends as defined in subsection (b)(5) of Section  
22 852 of the Internal Revenue Code, paid to shareholders  
23 for the taxable year;

24 (I) With the exception of any amounts subtracted  
25 under subparagraph (J), an amount equal to the sum of  
26 all amounts disallowed as deductions by (i) Sections

1 171(a)(2) and 265(a)(2) and amounts disallowed as  
2 interest expense by Section 291(a)(3) of the Internal  
3 Revenue Code, and all amounts of expenses allocable to  
4 interest and disallowed as deductions by Section  
5 265(a)(1) of the Internal Revenue Code; and (ii) for  
6 taxable years ending on or after August 13, 1999,  
7 Sections 171(a)(2), 265, 280C, 291(a)(3), and  
8 832(b)(5)(B)(i) of the Internal Revenue Code, plus,  
9 for tax years ending on or after December 31, 2011,  
10 amounts disallowed as deductions by Section 45G(e)(3)  
11 of the Internal Revenue Code and, for taxable years  
12 ending on or after December 31, 2008, any amount  
13 included in gross income under Section 87 of the  
14 Internal Revenue Code and the policyholders' share of  
15 tax-exempt interest of a life insurance company under  
16 Section 807(a)(2)(B) of the Internal Revenue Code (in  
17 the case of a life insurance company with gross income  
18 from a decrease in reserves for the tax year) or  
19 Section 807(b)(1)(B) of the Internal Revenue Code (in  
20 the case of a life insurance company allowed a  
21 deduction for an increase in reserves for the tax  
22 year); the provisions of this subparagraph are exempt  
23 from the provisions of Section 250;

24 (J) An amount equal to all amounts included in  
25 such total which are exempt from taxation by this  
26 State either by reason of its statutes or Constitution

1 or by reason of the Constitution, treaties or statutes  
2 of the United States; provided that, in the case of any  
3 statute of this State that exempts income derived from  
4 bonds or other obligations from the tax imposed under  
5 this Act, the amount exempted shall be the interest  
6 net of bond premium amortization;

7 (K) An amount equal to those dividends included in  
8 such total which were paid by a corporation which  
9 conducts business operations in a River Edge  
10 Redevelopment Zone or zones created under the River  
11 Edge Redevelopment Zone Act and conducts substantially  
12 all of its operations in a River Edge Redevelopment  
13 Zone or zones. This subparagraph (K) is exempt from  
14 the provisions of Section 250;

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

24 (M) For any taxpayer that is a financial  
25 organization within the meaning of Section 304(c) of  
26 this Act, an amount included in such total as interest

1 income from a loan or loans made by such taxpayer to a  
2 borrower, to the extent that such a loan is secured by  
3 property which is eligible for the River Edge  
4 Redevelopment Zone Investment Credit. To determine the  
5 portion of a loan or loans that is secured by property  
6 eligible for a Section 201(f) investment credit to the  
7 borrower, the entire principal amount of the loan or  
8 loans between the taxpayer and the borrower should be  
9 divided into the basis of the Section 201(f)  
10 investment credit property which secures the loan or  
11 loans, using for this purpose the original basis of  
12 such property on the date that it was placed in service  
13 in the River Edge Redevelopment Zone. The subtraction  
14 modification available to the taxpayer in any year  
15 under this subsection shall be that portion of the  
16 total interest paid by the borrower with respect to  
17 such loan attributable to the eligible property as  
18 calculated under the previous sentence. This  
19 subparagraph (M) is exempt from the provisions of  
20 Section 250;

21 (M-1) For any taxpayer that is a financial  
22 organization within the meaning of Section 304(c) of  
23 this Act, an amount included in such total as interest  
24 income from a loan or loans made by such taxpayer to a  
25 borrower, to the extent that such a loan is secured by  
26 property which is eligible for the High Impact

1 Business Investment Credit. To determine the portion  
2 of a loan or loans that is secured by property eligible  
3 for a Section 201(h) investment credit to the  
4 borrower, the entire principal amount of the loan or  
5 loans between the taxpayer and the borrower should be  
6 divided into the basis of the Section 201(h)  
7 investment credit property which secures the loan or  
8 loans, using for this purpose the original basis of  
9 such property on the date that it was placed in service  
10 in a federally designated Foreign Trade Zone or  
11 Sub-Zone located in Illinois. No taxpayer that is  
12 eligible for the deduction provided in subparagraph  
13 (M) of paragraph (2) of this subsection shall be  
14 eligible for the deduction provided under this  
15 subparagraph (M-1). The subtraction modification  
16 available to taxpayers in any year under this  
17 subsection shall be that portion of the total interest  
18 paid by the borrower with respect to such loan  
19 attributable to the eligible property as calculated  
20 under the previous sentence;

21 (N) Two times any contribution made during the  
22 taxable year to a designated zone organization to the  
23 extent that the contribution (i) qualifies as a  
24 charitable contribution under subsection (c) of  
25 Section 170 of the Internal Revenue Code and (ii)  
26 must, by its terms, be used for a project approved by



1 the Department of Commerce and Economic Opportunity  
2 under Section 11 of the Illinois Enterprise Zone Act  
3 or under Section 10-10 of the River Edge Redevelopment  
4 Zone Act. This subparagraph (N) is exempt from the  
5 provisions of Section 250;

6 (O) An amount equal to: (i) 85% for taxable years  
7 ending on or before December 31, 1992, or, a  
8 percentage equal to the percentage allowable under  
9 Section 243(a)(1) of the Internal Revenue Code of 1986  
10 for taxable years ending after December 31, 1992, of  
11 the amount by which dividends included in taxable  
12 income and received from a corporation that is not  
13 created or organized under the laws of the United  
14 States or any state or political subdivision thereof,  
15 including, for taxable years ending on or after  
16 December 31, 1988, dividends received or deemed  
17 received or paid or deemed paid under Sections 951  
18 through 965 of the Internal Revenue Code, exceed the  
19 amount of the modification provided under subparagraph  
20 (G) of paragraph (2) of this subsection (b) which is  
21 related to such dividends, and including, for taxable  
22 years ending on or after December 31, 2008, dividends  
23 received from a captive real estate investment trust;  
24 plus (ii) 100% of the amount by which dividends,  
25 included in taxable income and received, including,  
26 for taxable years ending on or after December 31,

1 1988, dividends received or deemed received or paid or  
2 deemed paid under Sections 951 through 964 of the  
3 Internal Revenue Code and including, for taxable years  
4 ending on or after December 31, 2008, dividends  
5 received from a captive real estate investment trust,  
6 from any such corporation specified in clause (i) that  
7 would but for the provisions of Section 1504(b)(3) of  
8 the Internal Revenue Code be treated as a member of the  
9 affiliated group which includes the dividend  
10 recipient, exceed the amount of the modification  
11 provided under subparagraph (G) of paragraph (2) of  
12 this subsection (b) which is related to such  
13 dividends. For taxable years ending on or after June  
14 30, 2021, (i) for purposes of this subparagraph, the  
15 term "dividend" does not include any amount treated as  
16 a dividend under Section 1248 of the Internal Revenue  
17 Code, and (ii) this subparagraph shall not apply to  
18 dividends for which a deduction is allowed under  
19 Section 245(a) of the Internal Revenue Code. This  
20 subparagraph (O) is exempt from the provisions of  
21 Section 250 of this Act;

22 (P) An amount equal to any contribution made to a  
23 job training project established pursuant to the Tax  
24 Increment Allocation Redevelopment Act;

25 (Q) An amount equal to the amount of the deduction  
26 used to compute the federal income tax credit for

1 restoration of substantial amounts held under claim of  
2 right for the taxable year pursuant to Section 1341 of  
3 the Internal Revenue Code;

4 (R) On and after July 20, 1999, in the case of an  
5 attorney-in-fact with respect to whom an interinsurer  
6 or a reciprocal insurer has made the election under  
7 Section 835 of the Internal Revenue Code, 26 U.S.C.  
8 835, an amount equal to the excess, if any, of the  
9 amounts paid or incurred by that interinsurer or  
10 reciprocal insurer in the taxable year to the  
11 attorney-in-fact over the deduction allowed to that  
12 interinsurer or reciprocal insurer with respect to the  
13 attorney-in-fact under Section 835(b) of the Internal  
14 Revenue Code for the taxable year; the provisions of  
15 this subparagraph are exempt from the provisions of  
16 Section 250;

17 (S) For taxable years ending on or after December  
18 31, 1997, in the case of a Subchapter S corporation, an  
19 amount equal to all amounts of income allocable to a  
20 shareholder subject to the Personal Property Tax  
21 Replacement Income Tax imposed by subsections (c) and  
22 (d) of Section 201 of this Act, including amounts  
23 allocable to organizations exempt from federal income  
24 tax by reason of Section 501(a) of the Internal  
25 Revenue Code. This subparagraph (S) is exempt from the  
26 provisions of Section 250;

1 (T) For taxable years 2001 and thereafter, for the  
2 taxable year in which the bonus depreciation deduction  
3 is taken on the taxpayer's federal income tax return  
4 under subsection (k) of Section 168 of the Internal  
5 Revenue Code and for each applicable taxable year  
6 thereafter, an amount equal to "x", where:

7 (1) "y" equals the amount of the depreciation  
8 deduction taken for the taxable year on the  
9 taxpayer's federal income tax return on property  
10 for which the bonus depreciation deduction was  
11 taken in any year under subsection (k) of Section  
12 168 of the Internal Revenue Code, but not  
13 including the bonus depreciation deduction;

14 (2) for taxable years ending on or before  
15 December 31, 2005, "x" equals "y" multiplied by 30  
16 and then divided by 70 (or "y" multiplied by  
17 0.429); and

18 (3) for taxable years ending after December  
19 31, 2005:

20 (i) for property on which a bonus  
21 depreciation deduction of 30% of the adjusted  
22 basis was taken, "x" equals "y" multiplied by  
23 30 and then divided by 70 (or "y" multiplied  
24 by 0.429);

25 (ii) for property on which a bonus  
26 depreciation deduction of 50% of the adjusted

1 basis was taken, "x" equals "y" multiplied by  
2 1.0;

3 (iii) for property on which a bonus  
4 depreciation deduction of 100% of the adjusted  
5 basis was taken in a taxable year ending on or  
6 after December 31, 2021, "x" equals the  
7 depreciation deduction that would be allowed  
8 on that property if the taxpayer had made the  
9 election under Section 168(k)(7) of the  
10 Internal Revenue Code to not claim bonus  
11 depreciation on that property; and

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

22 The aggregate amount deducted under this  
23 subparagraph in all taxable years for any one piece of  
24 property may not exceed the amount of the bonus  
25 depreciation deduction taken on that property on the  
26 taxpayer's federal income tax return under subsection

1 (k) of Section 168 of the Internal Revenue Code. This  
2 subparagraph (T) is exempt from the provisions of  
3 Section 250;

4 (U) If the taxpayer sells, transfers, abandons, or  
5 otherwise disposes of property for which the taxpayer  
6 was required in any taxable year to make an addition  
7 modification under subparagraph (E-10), then an amount  
8 equal to that addition modification.

9 If the taxpayer continues to own property through  
10 the last day of the last tax year for which a  
11 subtraction is allowed with respect to that property  
12 under subparagraph (T) and for which the taxpayer was  
13 required in any taxable year to make an addition  
14 modification under subparagraph (E-10), then an amount  
15 equal to that addition modification.

16 The taxpayer is allowed to take the deduction  
17 under this subparagraph only once with respect to any  
18 one piece of property.

19 This subparagraph (U) is exempt from the  
20 provisions of Section 250;

21 (V) The amount of: (i) any interest income (net of  
22 the deductions allocable thereto) taken into account  
23 for the taxable year with respect to a transaction  
24 with a taxpayer that is required to make an addition  
25 modification with respect to such transaction under  
26 Section 203(a)(2)(D-17), 203(b)(2)(E-12),

1           203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
2           the amount of such addition modification, (ii) any  
3           income from intangible property (net of the deductions  
4           allocable thereto) taken into account for the taxable  
5           year with respect to a transaction with a taxpayer  
6           that is required to make an addition modification with  
7           respect to such transaction under Section  
8           203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
9           203(d)(2)(D-8), but not to exceed the amount of such  
10          addition modification, and (iii) any insurance premium  
11          income (net of deductions allocable thereto) taken  
12          into account for the taxable year with respect to a  
13          transaction with a taxpayer that is required to make  
14          an addition modification with respect to such  
15          transaction under Section 203(a)(2)(D-19), Section  
16          203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section  
17          203(d)(2)(D-9), but not to exceed the amount of that  
18          addition modification. This subparagraph (V) is exempt  
19          from the provisions of Section 250;

20               (W) An amount equal to the interest income taken  
21               into account for the taxable year (net of the  
22               deductions allocable thereto) with respect to  
23               transactions with (i) a foreign person who would be a  
24               member of the taxpayer's unitary business group but  
25               for the fact that the foreign person's business  
26               activity outside the United States is 80% or more of

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

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

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

26 (Z) The difference between the nondeductible

1 controlled foreign corporation dividends under Section  
2 965(e)(3) of the Internal Revenue Code over the  
3 taxable income of the taxpayer, computed without  
4 regard to Section 965(e)(2)(A) of the Internal Revenue  
5 Code, and without regard to any net operating loss  
6 deduction. This subparagraph (Z) is exempt from the  
7 provisions of Section 250; and

8 (AA) 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 (AA) are exempt from the provisions  
20 of Section 250.

21 (3) Special rule. For purposes of paragraph (2)(A),  
22 "gross income" in the case of a life insurance company,  
23 for tax years ending on and after December 31, 1994, and  
24 prior to December 31, 2011, shall mean the gross  
25 investment income for the taxable year and, for tax years  
26 ending on or after December 31, 2011, shall mean all

1 amounts included in life insurance gross income under  
2 Section 803(a)(3) of the Internal Revenue Code.

3 (c) Trusts and estates.

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

7 (2) Modifications. Subject to the provisions of  
8 paragraph (3), the taxable income referred to in paragraph  
9 (1) shall be modified by adding thereto the sum of the  
10 following amounts:

11 (A) An amount equal to all amounts paid or accrued  
12 to the taxpayer as interest or dividends during the  
13 taxable year to the extent excluded from gross income  
14 in the computation of taxable income;

15 (B) In the case of (i) an estate, \$600; (ii) a  
16 trust which, under its governing instrument, is  
17 required to distribute all of its income currently,  
18 \$300; and (iii) any other trust, \$100, but in each such  
19 case, only to the extent such amount was deducted in  
20 the computation of taxable income;

21 (C) An amount equal to the amount of tax imposed by  
22 this Act to the extent deducted from gross income in  
23 the computation of taxable income for the taxable  
24 year;

25 (D) The amount of any net operating loss deduction

1 taken in arriving at taxable income, other than a net  
2 operating loss carried forward from a taxable year  
3 ending prior to December 31, 1986;

4 (E) For taxable years in which a net operating  
5 loss carryback or carryforward from a taxable year  
6 ending prior to December 31, 1986 is an element of  
7 taxable income under paragraph (1) of subsection (e)  
8 or subparagraph (E) of paragraph (2) of subsection  
9 (e), the amount by which addition modifications other  
10 than those provided by this subparagraph (E) exceeded  
11 subtraction modifications in such taxable year, with  
12 the following limitations applied in the order that  
13 they are listed:

14 (i) the addition modification relating to the  
15 net operating loss carried back or forward to the  
16 taxable year from any taxable year ending prior to  
17 December 31, 1986 shall be reduced by the amount  
18 of addition modification under this subparagraph  
19 (E) which related to that net operating loss and  
20 which was taken into account in calculating the  
21 base income of an earlier taxable year, and

22 (ii) the addition modification relating to the  
23 net operating loss carried back or forward to the  
24 taxable year from any taxable year ending prior to  
25 December 31, 1986 shall not exceed the amount of  
26 such carryback or carryforward;

1           For taxable years in which there is a net  
2           operating loss carryback or carryforward from more  
3           than one other taxable year ending prior to December  
4           31, 1986, the addition modification provided in this  
5           subparagraph (E) shall be the sum of the amounts  
6           computed independently under the preceding provisions  
7           of this subparagraph (E) for each such taxable year;

8           (F) For taxable years ending on or after January  
9           1, 1989, an amount equal to the tax deducted pursuant  
10          to Section 164 of the Internal Revenue Code if the  
11          trust or estate is claiming the same tax for purposes  
12          of the Illinois foreign tax credit under Section 601  
13          of this Act;

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

18          (G-5) For taxable years ending after December 31,  
19          1997, an amount equal to any eligible remediation  
20          costs that the trust or estate deducted in computing  
21          adjusted gross income and for which the trust or  
22          estate claims a credit under subsection (1) of Section  
23          201;

24          (G-10) 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; and

3 (G-11) 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 (G-10), then  
7 an amount equal to the aggregate amount of the  
8 deductions taken in all taxable years under  
9 subparagraph (R) 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 (R) and for which the taxpayer was  
14 allowed in any taxable year to make a subtraction  
15 modification under subparagraph (R), 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 (G-12) 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 the foreign person's business activity

1 outside 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 pursuant to Sections 951  
16 through 964 of the Internal Revenue Code and amounts  
17 included in gross income under Section 78 of the  
18 Internal Revenue Code) with respect to the stock of  
19 the same person to whom the interest was paid,  
20 accrued, or 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 (G-13) 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 pursuant to Sections 951 through 964 of the  
11 Internal Revenue Code and amounts included in gross  
12 income under Section 78 of the Internal Revenue Code)  
13 with respect to the stock of the same person to whom  
14 the intangible expenses and costs were directly or  
15 indirectly paid, incurred, or accrued. The preceding  
16 sentence shall not apply to the extent that the same  
17 dividends caused a reduction to the addition  
18 modification required under Section 203(c)(2)(G-12) of  
19 this Act. As used in this subparagraph, the term  
20 "intangible expenses and costs" includes: (1)  
21 expenses, losses, and costs for or related to the  
22 direct or indirect acquisition, use, maintenance or  
23 management, ownership, sale, exchange, or any other  
24 disposition of intangible property; (2) losses  
25 incurred, directly or indirectly, from factoring  
26 transactions or discounting transactions; (3) royalty,

1 patent, technical, and copyright fees; (4) licensing  
2 fees; and (5) other similar expenses and costs. For  
3 purposes of this subparagraph, "intangible property"  
4 includes patents, patent applications, trade names,  
5 trademarks, service marks, copyrights, mask works,  
6 trade secrets, and 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 (G-14) 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(c)(2)(G-12) or Section 203(c)(2)(G-13) of this  
23          Act;

24                 (G-15) An amount equal to the credit allowable to  
25          the taxpayer under Section 218(a) of this Act,  
26          determined without regard to Section 218(c) of this

1 Act;

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

6 (G-17) the amount that is claimed as a federal  
7 deduction when computing the taxpayer's federal  
8 taxable income for the taxable year and that is  
9 attributable to an endowment gift for which the  
10 taxpayer receives a credit under the Illinois Gives  
11 Tax Credit Act;

12 and by deducting from the total so obtained the sum of the  
13 following amounts:

14 (H) An amount equal to all amounts included in  
15 such total pursuant to the provisions of Sections  
16 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408  
17 of the Internal Revenue Code or included in such total  
18 as distributions under the provisions of any  
19 retirement or disability plan for employees of any  
20 governmental agency or unit, or retirement payments to  
21 retired partners, which payments are excluded in  
22 computing net earnings from self employment by Section  
23 1402 of the Internal Revenue Code and regulations  
24 adopted pursuant thereto;

25 (I) The valuation limitation amount;

26 (J) An amount equal to the amount of any tax

1 imposed by this Act which was refunded to the taxpayer  
2 and included in such total for the taxable year;

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

14 (L) With the exception of any amounts subtracted  
15 under subparagraph (K), an amount equal to the sum of  
16 all amounts disallowed as deductions by (i) Sections  
17 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
18 and all amounts of expenses allocable to interest and  
19 disallowed as deductions by Section 265(a)(1) of the  
20 Internal Revenue Code; and (ii) for taxable years  
21 ending on or after August 13, 1999, Sections  
22 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
23 Internal Revenue Code, plus, (iii) for taxable years  
24 ending on or after December 31, 2011, Section  
25 45G(e)(3) of the Internal Revenue Code and, for  
26 taxable years ending on or after December 31, 2008,

1 any amount included in gross income under Section 87  
2 of the Internal Revenue Code; the provisions of this  
3 subparagraph are exempt from the provisions of Section  
4 250;

5 (M) An amount equal to those dividends included in  
6 such total which were paid by a corporation which  
7 conducts business operations in a River Edge  
8 Redevelopment Zone or zones created under the River  
9 Edge Redevelopment Zone Act and conducts substantially  
10 all of its operations in a River Edge Redevelopment  
11 Zone or zones. This subparagraph (M) is exempt from  
12 the provisions of Section 250;

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

16 (O) An amount equal to those dividends included in  
17 such total that were paid by a corporation that  
18 conducts business operations in a federally designated  
19 Foreign Trade Zone or Sub-Zone and that is designated  
20 a High Impact Business located in Illinois; provided  
21 that dividends eligible for the deduction provided in  
22 subparagraph (M) of paragraph (2) of this subsection  
23 shall not be eligible for the deduction provided under  
24 this subparagraph (O);

25 (P) An amount equal to the amount of the deduction  
26 used to compute the federal income tax credit for



1 restoration of substantial amounts held under claim of  
2 right for the taxable year pursuant to Section 1341 of  
3 the Internal Revenue Code;

4 (Q) For taxable year 1999 and thereafter, an  
5 amount equal to the amount of any (i) distributions,  
6 to the extent includible in gross income for federal  
7 income tax purposes, made to the taxpayer because of  
8 his or her status as a victim of persecution for racial  
9 or religious reasons by Nazi Germany or any other Axis  
10 regime or as an heir of the victim and (ii) items of  
11 income, to the extent includible in gross income for  
12 federal income tax purposes, attributable to, derived  
13 from or in any way related to assets stolen from,  
14 hidden from, or otherwise lost to a victim of  
15 persecution for racial or religious reasons by Nazi  
16 Germany or any other Axis regime immediately prior to,  
17 during, and immediately after World War II, including,  
18 but not limited to, interest on the proceeds  
19 receivable as insurance under policies issued to a  
20 victim of persecution for racial or religious reasons  
21 by Nazi Germany or any other Axis regime by European  
22 insurance companies immediately prior to and during  
23 World War II; provided, however, this subtraction from  
24 federal adjusted gross income does not apply to assets  
25 acquired with such assets or with the proceeds from  
26 the sale of such assets; provided, further, this

1 paragraph shall only apply to a taxpayer who was the  
2 first recipient of such assets after their recovery  
3 and who is a victim of persecution for racial or  
4 religious reasons by Nazi Germany or any other Axis  
5 regime or as an heir of the victim. The amount of and  
6 the eligibility for any public assistance, benefit, or  
7 similar entitlement is not affected by the inclusion  
8 of items (i) and (ii) of this paragraph in gross income  
9 for federal income tax purposes. This paragraph is  
10 exempt from the provisions of Section 250;

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

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

24 (2) for taxable years ending on or before  
25 December 31, 2005, "x" equals "y" multiplied by 30  
26 and then divided by 70 (or "y" multiplied by

1 0.429); and

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

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

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

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

22 (iv) for property on which a bonus  
23 depreciation deduction of a percentage other  
24 than 30%, 50% or 100% of the adjusted basis  
25 was taken in a taxable year ending on or after  
26 December 31, 2021, "x" equals "y" multiplied

1           by 100 times the percentage bonus depreciation  
2           on the property (that is,  $100(\text{bonus}\%)$ ) and  
3           then divided by 100 times 1 minus the  
4           percentage bonus depreciation on the property  
5           (that is,  $100(1-\text{bonus}\%)$ ).

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

14          (S) If the taxpayer sells, transfers, abandons, or  
15          otherwise disposes of property for which the taxpayer  
16          was required in any taxable year to make an addition  
17          modification under subparagraph (G-10), then an amount  
18          equal to that addition modification.

19          If the taxpayer continues to own property through  
20          the last day of the last tax year for which a  
21          subtraction is allowed with respect to that property  
22          under subparagraph (R) and for which the taxpayer was  
23          required in any taxable year to make an addition  
24          modification under subparagraph (G-10), then an amount  
25          equal to that addition modification.

26          The taxpayer is allowed to take the deduction

1 under this subparagraph only once with respect to any  
2 one piece of property.

3 This subparagraph (S) is exempt from the  
4 provisions of Section 250;

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

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

16                 (V) An amount equal to the income from intangible  
17          property taken into account for the taxable year (net  
18          of the 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 that the foreign person's business  
22          activity outside the United States is 80% or more of  
23          that person's total business activity and (ii) for  
24          taxable years ending on or after December 31, 2008, to  
25          a person who would be a member of the same unitary  
26          business group but for the fact that the person is

1 prohibited under Section 1501(a)(27) from being  
2 included in the unitary business group because he or  
3 she is ordinarily required to apportion business  
4 income under different subsections of Section 304, but  
5 not to exceed the addition modification required to be  
6 made for the same taxable year under Section  
7 203(c)(2)(G-13) for intangible expenses and costs  
8 paid, accrued, or incurred, directly or indirectly, to  
9 the same foreign person. This subparagraph (V) is  
10 exempt from the provisions of Section 250;

11 (W) in the case of an estate, an amount equal to  
12 all amounts included in such total pursuant to the  
13 provisions of Section 111 of the Internal Revenue Code  
14 as a recovery of items previously deducted by the  
15 decedent from adjusted gross income in the computation  
16 of taxable income. This subparagraph (W) is exempt  
17 from Section 250;

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

23 (Y) 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(c)(2)(G-14), 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           (Y), 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 (Y). This  
11          subparagraph (Y) is exempt from the provisions of  
12          Section 250;

13           (Z) For taxable years beginning after December 31,  
14          2018 and before January 1, 2026, the amount of excess  
15          business loss of the taxpayer disallowed as a  
16          deduction by Section 461(l)(1)(B) of the Internal  
17          Revenue Code; and

18           (AA) For taxable years beginning on or after  
19          January 1, 2023, for any cannabis establishment  
20          operating in this State and licensed under the  
21          Cannabis Regulation and Tax Act or any cannabis  
22          cultivation center or medical cannabis dispensing  
23          organization operating in this State and licensed  
24          under the Compassionate Use of Medical Cannabis  
25          Program Act, an amount equal to the deductions that  
26          were disallowed under Section 280E of the Internal



1 Revenue Code for the taxable year and that would not be  
2 added back under this subsection. The provisions of  
3 this subparagraph (AA) are exempt from the provisions  
4 of Section 250.

5 (3) Limitation. The amount of any modification  
6 otherwise required under this subsection shall, under  
7 regulations prescribed by the Department, be adjusted by  
8 any amounts included therein which were properly paid,  
9 credited, or required to be distributed, or permanently  
10 set aside for charitable purposes pursuant to Internal  
11 Revenue Code Section 642(c) during the taxable year.

12 (d) Partnerships.

13 (1) In general. In the case of a partnership, 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 or dividends during the  
21 taxable year to the extent excluded from gross income  
22 in the computation of taxable income;

23 (B) An amount equal to the amount of tax imposed by  
24 this Act to the extent deducted from gross income for  
25 the taxable year;

1           (C) The amount of deductions allowed to the  
2 partnership pursuant to Section 707 (c) of the  
3 Internal Revenue Code in calculating its taxable  
4 income;

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

14           (D-6) If the taxpayer sells, transfers, abandons,  
15 or otherwise disposes of property for which the  
16 taxpayer was required in any taxable year to make an  
17 addition modification under subparagraph (D-5), then  
18 an amount equal to the aggregate amount of the  
19 deductions taken in all taxable years under  
20 subparagraph (O) with respect to that property.

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 (O) and for which the taxpayer was  
25 allowed in any taxable year to make a subtraction  
26 modification under subparagraph (O), then an amount

1 equal to that subtraction modification.

2 The taxpayer is required to make the addition  
3 modification under this subparagraph only once with  
4 respect to any one piece of property;

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

1 through 964 of the Internal Revenue Code and amounts  
2 included in gross income under Section 78 of the  
3 Internal Revenue Code) with respect to the stock of  
4 the same person to whom the interest was paid,  
5 accrued, or incurred.

6 This paragraph shall not apply to the following:

7 (i) an item of interest paid, accrued, or  
8 incurred, directly or indirectly, to a person who  
9 is subject in a foreign country or state, other  
10 than a state which requires mandatory unitary  
11 reporting, to a tax on or measured by net income  
12 with respect to such interest; or

13 (ii) an item of interest paid, accrued, or  
14 incurred, directly or indirectly, to a person if  
15 the taxpayer can establish, based on a  
16 preponderance of the evidence, both of the  
17 following:

18 (a) the person, during the same taxable  
19 year, paid, accrued, or incurred, the interest  
20 to a person that is not a related member, and

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

1 terms; or

2 (iii) the taxpayer can establish, based on  
3 clear and convincing evidence, that the interest  
4 paid, accrued, or incurred relates to a contract  
5 or agreement entered into at arm's-length rates  
6 and terms and the principal purpose for the  
7 payment is not federal or Illinois tax avoidance;  
8 or

9 (iv) an item of interest paid, accrued, or  
10 incurred, directly or indirectly, to a person if  
11 the taxpayer establishes by clear and convincing  
12 evidence that the adjustments are unreasonable; or  
13 if the taxpayer and the Director agree in writing  
14 to the application or use of an alternative method  
15 of apportionment under Section 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; and

25 (D-8) An amount equal to the amount of intangible  
26 expenses and costs otherwise allowed as a deduction in

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

1 sentence shall not apply to the extent that the same  
2 dividends caused a reduction to the addition  
3 modification required under Section 203(d)(2)(D-7) of  
4 this Act. As used in this subparagraph, the term  
5 "intangible expenses and costs" includes (1) expenses,  
6 losses, and costs for, or related to, the direct or  
7 indirect acquisition, use, maintenance or management,  
8 ownership, sale, exchange, or any other disposition of  
9 intangible property; (2) losses incurred, directly or  
10 indirectly, from factoring transactions or discounting  
11 transactions; (3) royalty, patent, technical, and  
12 copyright fees; (4) licensing fees; and (5) other  
13 similar expenses and costs. For purposes of this  
14 subparagraph, "intangible property" includes patents,  
15 patent applications, trade names, trademarks, service  
16 marks, copyrights, mask works, trade secrets, and  
17 similar types of intangible assets;

18 This paragraph shall not apply to the following:

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

26 (ii) any item of intangible expense or cost

1           paid, accrued, or incurred, directly or  
2           indirectly, if the taxpayer can establish, based  
3           on a preponderance of the evidence, both of the  
4           following:

5                   (a) the person during the same taxable  
6                   year paid, accrued, or incurred, the  
7                   intangible expense or cost to a person that is  
8                   not a related member, and

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

16                   (iii) any item of intangible expense or cost  
17                   paid, accrued, or incurred, directly or  
18                   indirectly, from a transaction with a person if  
19                   the taxpayer establishes by clear and convincing  
20                   evidence, that the adjustments are unreasonable;  
21                   or if the taxpayer and the Director agree in  
22                   writing to the application or use of an  
23                   alternative method of apportionment under Section  
24                   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 (D-9) For taxable years ending on or after  
9 December 31, 2008, an amount equal to the amount of  
10 insurance premium expenses and costs otherwise allowed  
11 as a deduction in computing base income, and that were  
12 paid, accrued, or incurred, directly or indirectly, to  
13 a person who would be a member of the same unitary  
14 business group but for the fact that the person is  
15 prohibited under Section 1501(a)(27) from being  
16 included in the unitary business group because he or  
17 she is ordinarily required to apportion business  
18 income under different subsections of Section 304. The  
19 addition modification required by this subparagraph  
20 shall be reduced to the extent that dividends were  
21 included in base income of the unitary group for the  
22 same taxable year and received by the taxpayer or by a  
23 member of the taxpayer's unitary business group  
24 (including amounts included in gross income under  
25 Sections 951 through 964 of the Internal Revenue Code  
26 and amounts included in gross income under Section 78

1 of the Internal Revenue Code) with respect to the  
2 stock of the same person to whom the premiums and costs  
3 were directly or indirectly paid, incurred, or  
4 accrued. The preceding sentence does not apply to the  
5 extent that the same dividends caused a reduction to  
6 the addition modification required under Section  
7 203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

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

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

16 (D-12) the amount that is claimed as a federal  
17 deduction when computing the taxpayer's federal  
18 taxable income for the taxable year and that is  
19 attributable to an endowment gift for which the  
20 taxpayer receives a credit under the Illinois Gives  
21 Tax Credit Act;

22 and by deducting from the total so obtained the following  
23 amounts:

24 (E) The valuation limitation amount;

25 (F) An amount equal to the amount of any tax  
26 imposed by this Act which was refunded to the taxpayer

1 and included in such total for the taxable year;

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

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

20 (I) An amount equal to all amounts of income  
21 distributable to an entity subject to the Personal  
22 Property Tax Replacement Income Tax imposed by  
23 subsections (c) and (d) of Section 201 of this Act  
24 including amounts distributable to organizations  
25 exempt from federal income tax by reason of Section  
26 501(a) of the Internal Revenue Code; this subparagraph

1 (I) is exempt from the provisions of Section 250;

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

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

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

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

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

18           (O) 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 (O) is exempt from the provisions of  
20 Section 250;

21 (P) 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 (D-5), 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 (O) and for which the taxpayer was  
4 required in any taxable year to make an addition  
5 modification under subparagraph (D-5), 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 (P) is exempt from the  
11 provisions of Section 250;

12 (Q) 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 and (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. This subparagraph (Q) is exempt  
2 from Section 250;

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

23 (S) An amount equal to the income from intangible  
24 property taken into account for the taxable year (net  
25 of the 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-8) for intangible expenses and costs paid,  
15 accrued, or incurred, directly or indirectly, to the  
16 same person. This subparagraph (S) is exempt from  
17 Section 250;

18 (T) For taxable years ending on or after December  
19 31, 2011, in the case of a taxpayer who was required to  
20 add back any insurance premiums under Section  
21 203(d)(2)(D-9), such taxpayer may elect to subtract  
22 that part of a reimbursement received from the  
23 insurance company equal to the amount of the expense  
24 or loss (including expenses incurred by the insurance  
25 company) that would have been taken into account as a  
26 deduction for federal income tax purposes if the

1 expense or loss had been uninsured. If a taxpayer  
2 makes the election provided for by this subparagraph  
3 (T), the insurer to which the premiums were paid must  
4 add back to income the amount subtracted by the  
5 taxpayer pursuant to this subparagraph (T). This  
6 subparagraph (T) is exempt from the provisions of  
7 Section 250; and

8 (U) 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 (U) are exempt from the provisions  
20 of Section 250.

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

22 (1) In general. Subject to the provisions of paragraph  
23 (2) and subsection (b) (3), for purposes of this Section  
24 and Section 803(e), a taxpayer's gross income, adjusted  
25 gross income, or taxable income for the taxable year shall

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

1 (e) applied in conjunction with Section 172 of the  
2 Internal Revenue Code.

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

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

13 (B) Certain other insurance companies. In the case  
14 of mutual insurance companies subject to the tax  
15 imposed by Section 831 of the Internal Revenue Code,  
16 insurance company taxable income;

17 (C) Regulated investment companies. In the case of  
18 a regulated investment company subject to the tax  
19 imposed by Section 852 of the Internal Revenue Code,  
20 investment company taxable income;

21 (D) Real estate investment trusts. In the case of  
22 a real estate investment trust subject to the tax  
23 imposed by Section 857 of the Internal Revenue Code,  
24 real estate investment trust taxable income;

25 (E) Consolidated corporations. In the case of a  
26 corporation which is a member of an affiliated group

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

12 (F) Cooperatives. In the case of a cooperative  
13 corporation or association, the taxable income of such  
14 organization determined in accordance with the  
15 provisions of Section 1381 through 1388 of the  
16 Internal Revenue Code, but without regard to the  
17 prohibition against offsetting losses from patronage  
18 activities against income from nonpatronage  
19 activities; except that a cooperative corporation or  
20 association may make an election to follow its federal  
21 income tax treatment of patronage losses and  
22 nonpatronage losses. In the event such election is  
23 made, such losses shall be computed and carried over  
24 in a manner consistent with subsection (a) of Section  
25 207 of this Act and apportioned by the apportionment  
26 factor reported by the cooperative on its Illinois

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

17 (G) Subchapter S corporations. In the case of: (i)  
18 a Subchapter S corporation for which there is in  
19 effect an election for the taxable year under Section  
20 1362 of the Internal Revenue Code, the taxable income  
21 of such corporation determined in accordance with  
22 Section 1363(b) of the Internal Revenue Code, except  
23 that taxable income shall take into account those  
24 items which are required by Section 1363(b)(1) of the  
25 Internal Revenue Code to be separately stated; and  
26 (ii) a Subchapter S corporation for which there is in

1 effect a federal election to opt out of the provisions  
2 of the Subchapter S Revision Act of 1982 and have  
3 applied instead the prior federal Subchapter S rules  
4 as in effect on July 1, 1982, the taxable income of  
5 such corporation determined in accordance with the  
6 federal Subchapter S rules as in effect on July 1,  
7 1982; and

8 (H) Partnerships. In the case of a partnership,  
9 taxable income determined in accordance with Section  
10 703 of the Internal Revenue Code, except that taxable  
11 income shall take into account those items which are  
12 required by Section 703(a)(1) to be separately stated  
13 but which would be taken into account by an individual  
14 in calculating his taxable income.

15 (3) Recapture of business expenses on disposition of  
16 asset or business. Notwithstanding any other law to the  
17 contrary, if in prior years income from an asset or  
18 business has been classified as business income and in a  
19 later year is demonstrated to be non-business income, then  
20 all expenses, without limitation, deducted in such later  
21 year and in the 2 immediately preceding taxable years  
22 related to that asset or business that generated the  
23 non-business income shall be added back and recaptured as  
24 business income in the year of the disposition of the  
25 asset or business. Such amount shall be apportioned to  
26 Illinois using the greater of the apportionment fraction



1           computed for the business under Section 304 of this Act  
2           for the taxable year or the average of the apportionment  
3           fractions computed for the business under Section 304 of  
4           this Act for the taxable year and for the 2 immediately  
5           preceding taxable years.

6           (f) Valuation limitation amount.

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

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

16           (B) The lesser of (i) the sum of the pre-August 1,  
17           1969 appreciation amounts (to the extent consisting of  
18           capital gain) for all property in respect of which  
19           such gain was reported for federal income tax purposes  
20           for the taxable year, or (ii) the net capital gain for  
21           the taxable year, reduced in either case by any amount  
22           of such gain included in the amount determined under  
23           subsection (a) (2) (F) or (c) (2) (H).

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

25           (A) If the fair market value of property referred

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

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

22 (C) The Department shall prescribe such  
23 regulations as may be necessary to carry out the  
24 purposes of this paragraph.

25 (g) Double deductions. Unless specifically provided

1 otherwise, nothing in this Section shall permit the same item  
2 to be deducted more than once.

3 (h) Legislative intention. Except as expressly provided by  
4 this Section there shall be no modifications or limitations on  
5 the amounts of income, gain, loss or deduction taken into  
6 account in determining gross income, adjusted gross income or  
7 taxable income for federal income tax purposes for the taxable  
8 year, or in the amount of such items entering into the  
9 computation of base income and net income under this Act for  
10 such taxable year, whether in respect of property values as of  
11 August 1, 1969 or otherwise.

12 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;  
13 102-658, eff. 8-27-21; 102-813, eff. 5-13-22; 102-1112, eff.  
14 12-21-22; 103-8, eff. 6-7-23; 103-478, eff. 1-1-24; revised  
15 9-26-23.)

16 (35 ILCS 5/241 new)

17 Sec. 241. The Illinois Gives tax credit.

18 (a) For taxable years ending on or after December 31, 2025  
19 and ending before January 1, 2030, each taxpayer for whom a tax  
20 credit has been authorized by the Department of Revenue under  
21 the Illinois Gives Tax Credit Act is entitled to a credit  
22 against the tax imposed under subsections (a) and (b) of  
23 Section 201 in an amount equal to the amount authorized under  
24 that Act.



1 "Extension limitation" means (a) the lesser of 5% or the  
2 percentage increase in the Consumer Price Index during the  
3 12-month calendar year preceding the levy year or (b) the rate  
4 of increase approved by voters under Section 18-205.

5 "Affected county" means a county of 3,000,000 or more  
6 inhabitants or a county contiguous to a county of 3,000,000 or  
7 more inhabitants.

8 "Taxing district" has the same meaning provided in Section  
9 1-150, except as otherwise provided in this Section. For the  
10 1991 through 1994 levy years only, "taxing district" includes  
11 only each non-home rule taxing district having the majority of  
12 its 1990 equalized assessed value within any county or  
13 counties contiguous to a county with 3,000,000 or more  
14 inhabitants. Beginning with the 1995 levy year, "taxing  
15 district" includes only each non-home rule taxing district  
16 subject to this Law before the 1995 levy year and each non-home  
17 rule taxing district not subject to this Law before the 1995  
18 levy year having the majority of its 1994 equalized assessed  
19 value in an affected county or counties. Beginning with the  
20 levy year in which this Law becomes applicable to a taxing  
21 district as provided in Section 18-213, "taxing district" also  
22 includes those taxing districts made subject to this Law as  
23 provided in Section 18-213.

24 "Aggregate extension" for taxing districts to which this  
25 Law applied before the 1995 levy year means the annual  
26 corporate extension for the taxing district and those special

1 purpose extensions that are made annually for the taxing  
2 district, excluding special purpose extensions: (a) made for  
3 the taxing district to pay interest or principal on general  
4 obligation bonds that were approved by referendum; (b) made  
5 for any taxing district to pay interest or principal on  
6 general obligation bonds issued before October 1, 1991; (c)  
7 made for any taxing district to pay interest or principal on  
8 bonds issued to refund or continue to refund those bonds  
9 issued before October 1, 1991; (d) made for any taxing  
10 district to pay interest or principal on bonds issued to  
11 refund or continue to refund bonds issued after October 1,  
12 1991 that were approved by referendum; (e) made for any taxing  
13 district to pay interest or principal on revenue bonds issued  
14 before October 1, 1991 for payment of which a property tax levy  
15 or the full faith and credit of the unit of local government is  
16 pledged; however, a tax for the payment of interest or  
17 principal on those bonds shall be made only after the  
18 governing body of the unit of local government finds that all  
19 other sources for payment are insufficient to make those  
20 payments; (f) made for payments under a building commission  
21 lease when the lease payments are for the retirement of bonds  
22 issued by the commission before October 1, 1991, to pay for the  
23 building project; (g) made for payments due under installment  
24 contracts entered into before October 1, 1991; (h) made for  
25 payments of principal and interest on bonds issued under the  
26 Metropolitan Water Reclamation District Act to finance

1 construction projects initiated before October 1, 1991; (i)  
2 made for payments of principal and interest on limited bonds,  
3 as defined in Section 3 of the Local Government Debt Reform  
4 Act, in an amount not to exceed the debt service extension base  
5 less the amount in items (b), (c), (e), and (h) of this  
6 definition for non-referendum obligations, except obligations  
7 initially issued pursuant to referendum; (j) made for payments  
8 of principal and interest on bonds issued under Section 15 of  
9 the Local Government Debt Reform Act; (k) made by a school  
10 district that participates in the Special Education District  
11 of Lake County, created by special education joint agreement  
12 under Section 10-22.31 of the School Code, for payment of the  
13 school district's share of the amounts required to be  
14 contributed by the Special Education District of Lake County  
15 to the Illinois Municipal Retirement Fund under Article 7 of  
16 the Illinois Pension Code; the amount of any extension under  
17 this item (k) shall be certified by the school district to the  
18 county clerk; (l) made to fund expenses of providing joint  
19 recreational programs for persons with disabilities under  
20 Section 5-8 of the Park District Code or Section 11-95-14 of  
21 the Illinois Municipal Code; (m) made for temporary relocation  
22 loan repayment purposes pursuant to Sections 2-3.77 and  
23 17-2.2d of the School Code; (n) made for payment of principal  
24 and interest on any bonds issued under the authority of  
25 Section 17-2.2d of the School Code; (o) made for contributions  
26 to a firefighter's pension fund created under Article 4 of the

1 Illinois Pension Code, to the extent of the amount certified  
2 under item (5) of Section 4-134 of the Illinois Pension Code;  
3 ~~and~~ (p) made for road purposes in the first year after a  
4 township assumes the rights, powers, duties, assets, property,  
5 liabilities, obligations, and responsibilities of a road  
6 district abolished under the provisions of Section 6-133 of  
7 the Illinois Highway Code; and (q) made under Section 4 of the  
8 Community Mental Health Act to provide the necessary funds or  
9 to supplement existing funds for community mental health  
10 facilities and services, including facilities and services for  
11 the person with a developmental disability or a substance use  
12 disorder.

13 "Aggregate extension" for the taxing districts to which  
14 this Law did not apply before the 1995 levy year (except taxing  
15 districts subject to this Law in accordance with Section  
16 18-213) means the annual corporate extension for the taxing  
17 district and those special purpose extensions that are made  
18 annually for the taxing district, excluding special purpose  
19 extensions: (a) made for the taxing district to pay interest  
20 or principal on general obligation bonds that were approved by  
21 referendum; (b) made for any taxing district to pay interest  
22 or principal on general obligation bonds issued before March  
23 1, 1995; (c) made for any taxing district to pay interest or  
24 principal on bonds issued to refund or continue to refund  
25 those bonds issued before March 1, 1995; (d) made for any  
26 taxing district to pay interest or principal on bonds issued



1 to refund or continue to refund bonds issued after March 1,  
2 1995 that were approved by referendum; (e) made for any taxing  
3 district to pay interest or principal on revenue bonds issued  
4 before March 1, 1995 for payment of which a property tax levy  
5 or the full faith and credit of the unit of local government is  
6 pledged; however, a tax for the payment of interest or  
7 principal on those bonds shall be made only after the  
8 governing body of the unit of local government finds that all  
9 other sources for payment are insufficient to make those  
10 payments; (f) made for payments under a building commission  
11 lease when the lease payments are for the retirement of bonds  
12 issued by the commission before March 1, 1995 to pay for the  
13 building project; (g) made for payments due under installment  
14 contracts entered into before March 1, 1995; (h) made for  
15 payments of principal and interest on bonds issued under the  
16 Metropolitan Water Reclamation District Act to finance  
17 construction projects initiated before October 1, 1991; (h-4)  
18 made for stormwater management purposes by the Metropolitan  
19 Water Reclamation District of Greater Chicago under Section 12  
20 of the Metropolitan Water Reclamation District Act; (h-8) made  
21 for payments of principal and interest on bonds issued under  
22 Section 9.6a of the Metropolitan Water Reclamation District  
23 Act to make contributions to the pension fund established  
24 under Article 13 of the Illinois Pension Code; (i) made for  
25 payments of principal and interest on limited bonds, as  
26 defined in Section 3 of the Local Government Debt Reform Act,

1 in an amount not to exceed the debt service extension base less  
2 the amount in items (b), (c), and (e) of this definition for  
3 non-referendum obligations, except obligations initially  
4 issued pursuant to referendum and bonds described in  
5 subsections (h) and (h-8) of this definition; (j) made for  
6 payments of principal and interest on bonds issued under  
7 Section 15 of the Local Government Debt Reform Act; (k) made  
8 for payments of principal and interest on bonds authorized by  
9 Public Act 88-503 and issued under Section 20a of the Chicago  
10 Park District Act for aquarium or museum projects and bonds  
11 issued under Section 20a of the Chicago Park District Act for  
12 the purpose of making contributions to the pension fund  
13 established under Article 12 of the Illinois Pension Code; (l)  
14 made for payments of principal and interest on bonds  
15 authorized by Public Act 87-1191 or 93-601 and (i) issued  
16 pursuant to Section 21.2 of the Cook County Forest Preserve  
17 District Act, (ii) issued under Section 42 of the Cook County  
18 Forest Preserve District Act for zoological park projects, or  
19 (iii) issued under Section 44.1 of the Cook County Forest  
20 Preserve District Act for botanical gardens projects; (m) made  
21 pursuant to Section 34-53.5 of the School Code, whether levied  
22 annually or not; (n) made to fund expenses of providing joint  
23 recreational programs for persons with disabilities under  
24 Section 5-8 of the Park District Code or Section 11-95-14 of  
25 the Illinois Municipal Code; (o) made by the Chicago Park  
26 District for recreational programs for persons with

1 disabilities under subsection (c) of Section 7.06 of the  
2 Chicago Park District Act; (p) made for contributions to a  
3 firefighter's pension fund created under Article 4 of the  
4 Illinois Pension Code, to the extent of the amount certified  
5 under item (5) of Section 4-134 of the Illinois Pension Code;  
6 (q) made by Ford Heights School District 169 under Section  
7 17-9.02 of the School Code; ~~and~~ (r) made for the purpose of  
8 making employer contributions to the Public School Teachers'  
9 Pension and Retirement Fund of Chicago under Section 34-53 of  
10 the School Code; and (s) made under Section 4 of the Community  
11 Mental Health Act to provide the necessary funds or to  
12 supplement existing funds for community mental health  
13 facilities and services, including facilities and services for  
14 the person with a developmental disability or a substance use  
15 disorder.

16 "Aggregate extension" for all taxing districts to which  
17 this Law applies in accordance with Section 18-213, except for  
18 those taxing districts subject to paragraph (2) of subsection  
19 (e) of Section 18-213, means the annual corporate extension  
20 for the taxing district and those special purpose extensions  
21 that are made annually for the taxing district, excluding  
22 special purpose extensions: (a) made for the taxing district  
23 to pay interest or principal on general obligation bonds that  
24 were approved by referendum; (b) made for any taxing district  
25 to pay interest or principal on general obligation bonds  
26 issued before the date on which the referendum making this Law

1 applicable to the taxing district is held; (c) made for any  
2 taxing district to pay interest or principal on bonds issued  
3 to refund or continue to refund those bonds issued before the  
4 date on which the referendum making this Law applicable to the  
5 taxing district is held; (d) made for any taxing district to  
6 pay interest or principal on bonds issued to refund or  
7 continue to refund bonds issued after the date on which the  
8 referendum making this Law applicable to the taxing district  
9 is held if the bonds were approved by referendum after the date  
10 on which the referendum making this Law applicable to the  
11 taxing district is held; (e) made for any taxing district to  
12 pay interest or principal on revenue bonds issued before the  
13 date on which the referendum making this Law applicable to the  
14 taxing district is held for payment of which a property tax  
15 levy or the full faith and credit of the unit of local  
16 government is pledged; however, a tax for the payment of  
17 interest or principal on those bonds shall be made only after  
18 the governing body of the unit of local government finds that  
19 all other sources for payment are insufficient to make those  
20 payments; (f) made for payments under a building commission  
21 lease when the lease payments are for the retirement of bonds  
22 issued by the commission before the date on which the  
23 referendum making this Law applicable to the taxing district  
24 is held to pay for the building project; (g) made for payments  
25 due under installment contracts entered into before the date  
26 on which the referendum making this Law applicable to the

1 taxing district is held; (h) made for payments of principal  
2 and interest on limited bonds, as defined in Section 3 of the  
3 Local Government Debt Reform Act, in an amount not to exceed  
4 the debt service extension base less the amount in items (b),  
5 (c), and (e) of this definition for non-referendum  
6 obligations, except obligations initially issued pursuant to  
7 referendum; (i) made for payments of principal and interest on  
8 bonds issued under Section 15 of the Local Government Debt  
9 Reform Act; (j) made for a qualified airport authority to pay  
10 interest or principal on general obligation bonds issued for  
11 the purpose of paying obligations due under, or financing  
12 airport facilities required to be acquired, constructed,  
13 installed or equipped pursuant to, contracts entered into  
14 before March 1, 1996 (but not including any amendments to such  
15 a contract taking effect on or after that date); (k) made to  
16 fund expenses of providing joint recreational programs for  
17 persons with disabilities under Section 5-8 of the Park  
18 District Code or Section 11-95-14 of the Illinois Municipal  
19 Code; (l) made for contributions to a firefighter's pension  
20 fund created under Article 4 of the Illinois Pension Code, to  
21 the extent of the amount certified under item (5) of Section  
22 4-134 of the Illinois Pension Code; ~~and~~ (m) made for the taxing  
23 district to pay interest or principal on general obligation  
24 bonds issued pursuant to Section 19-3.10 of the School Code; i  
25 and (n) made under Section 4 of the Community Mental Health Act  
26 to provide the necessary funds or to supplement existing funds

1 for community mental health facilities and services, including  
2 facilities and services for the person with a developmental  
3 disability or a substance use disorder.

4 "Aggregate extension" for all taxing districts to which  
5 this Law applies in accordance with paragraph (2) of  
6 subsection (e) of Section 18-213 means the annual corporate  
7 extension for the taxing district and those special purpose  
8 extensions that are made annually for the taxing district,  
9 excluding special purpose extensions: (a) made for the taxing  
10 district to pay interest or principal on general obligation  
11 bonds that were approved by referendum; (b) made for any  
12 taxing district to pay interest or principal on general  
13 obligation bonds issued before March 7, 1997 (the effective  
14 date of Public Act 89-718); (c) made for any taxing district to  
15 pay interest or principal on bonds issued to refund or  
16 continue to refund those bonds issued before March 7, 1997  
17 (the effective date of Public Act 89-718); (d) made for any  
18 taxing district to pay interest or principal on bonds issued  
19 to refund or continue to refund bonds issued after March 7,  
20 1997 (the effective date of Public Act 89-718) if the bonds  
21 were approved by referendum after March 7, 1997 (the effective  
22 date of Public Act 89-718); (e) made for any taxing district to  
23 pay interest or principal on revenue bonds issued before March  
24 7, 1997 (the effective date of Public Act 89-718) for payment  
25 of which a property tax levy or the full faith and credit of  
26 the unit of local government is pledged; however, a tax for the

1 payment of interest or principal on those bonds shall be made  
2 only after the governing body of the unit of local government  
3 finds that all other sources for payment are insufficient to  
4 make those payments; (f) made for payments under a building  
5 commission lease when the lease payments are for the  
6 retirement of bonds issued by the commission before March 7,  
7 1997 (the effective date of Public Act 89-718) to pay for the  
8 building project; (g) made for payments due under installment  
9 contracts entered into before March 7, 1997 (the effective  
10 date of Public Act 89-718); (h) made for payments of principal  
11 and interest on limited bonds, as defined in Section 3 of the  
12 Local Government Debt Reform Act, in an amount not to exceed  
13 the debt service extension base less the amount in items (b),  
14 (c), and (e) of this definition for non-referendum  
15 obligations, except obligations initially issued pursuant to  
16 referendum; (i) made for payments of principal and interest on  
17 bonds issued under Section 15 of the Local Government Debt  
18 Reform Act; (j) made for a qualified airport authority to pay  
19 interest or principal on general obligation bonds issued for  
20 the purpose of paying obligations due under, or financing  
21 airport facilities required to be acquired, constructed,  
22 installed or equipped pursuant to, contracts entered into  
23 before March 1, 1996 (but not including any amendments to such  
24 a contract taking effect on or after that date); (k) made to  
25 fund expenses of providing joint recreational programs for  
26 persons with disabilities under Section 5-8 of the Park

1 District Code or Section 11-95-14 of the Illinois Municipal  
2 Code; ~~and~~ (l) made for contributions to a firefighter's  
3 pension fund created under Article 4 of the Illinois Pension  
4 Code, to the extent of the amount certified under item (5) of  
5 Section 4-134 of the Illinois Pension Code; and (m) made under  
6 Section 4 of the Community Mental Health Act to provide the  
7 necessary funds or to supplement existing funds for community  
8 mental health facilities and services, including facilities  
9 and services for the person with a developmental disability or  
10 a substance use disorder.

11 "Debt service extension base" means an amount equal to  
12 that portion of the extension for a taxing district for the  
13 1994 levy year, or for those taxing districts subject to this  
14 Law in accordance with Section 18-213, except for those  
15 subject to paragraph (2) of subsection (e) of Section 18-213,  
16 for the levy year in which the referendum making this Law  
17 applicable to the taxing district is held, or for those taxing  
18 districts subject to this Law in accordance with paragraph (2)  
19 of subsection (e) of Section 18-213 for the 1996 levy year,  
20 constituting an extension for payment of principal and  
21 interest on bonds issued by the taxing district without  
22 referendum, but not including excluded non-referendum bonds.  
23 For park districts (i) that were first subject to this Law in  
24 1991 or 1995 and (ii) whose extension for the 1994 levy year  
25 for the payment of principal and interest on bonds issued by  
26 the park district without referendum (but not including



1 excluded non-referendum bonds) was less than 51% of the amount  
2 for the 1991 levy year constituting an extension for payment  
3 of principal and interest on bonds issued by the park district  
4 without referendum (but not including excluded non-referendum  
5 bonds), "debt service extension base" means an amount equal to  
6 that portion of the extension for the 1991 levy year  
7 constituting an extension for payment of principal and  
8 interest on bonds issued by the park district without  
9 referendum (but not including excluded non-referendum bonds).  
10 A debt service extension base established or increased at any  
11 time pursuant to any provision of this Law, except Section  
12 18-212, shall be increased each year commencing with the later  
13 of (i) the 2009 levy year or (ii) the first levy year in which  
14 this Law becomes applicable to the taxing district, by the  
15 lesser of 5% or the percentage increase in the Consumer Price  
16 Index during the 12-month calendar year preceding the levy  
17 year. The debt service extension base may be established or  
18 increased as provided under Section 18-212. "Excluded  
19 non-referendum bonds" means (i) bonds authorized by Public Act  
20 88-503 and issued under Section 20a of the Chicago Park  
21 District Act for aquarium and museum projects; (ii) bonds  
22 issued under Section 15 of the Local Government Debt Reform  
23 Act; or (iii) refunding obligations issued to refund or to  
24 continue to refund obligations initially issued pursuant to  
25 referendum.

26 "Special purpose extensions" include, but are not limited

1 to, extensions for levies made on an annual basis for  
2 unemployment and workers' compensation, self-insurance,  
3 contributions to pension plans, and extensions made pursuant  
4 to Section 6-601 of the Illinois Highway Code for a road  
5 district's permanent road fund whether levied annually or not.  
6 The extension for a special service area is not included in the  
7 aggregate extension.

8 "Aggregate extension base" means the taxing district's  
9 last preceding aggregate extension as adjusted under Sections  
10 18-135, 18-215, 18-230, 18-206, and 18-233. Beginning with  
11 levy year 2022, for taxing districts that are specified in  
12 Section 18-190.7, the taxing district's aggregate extension  
13 base shall be calculated as provided in Section 18-190.7. An  
14 adjustment under Section 18-135 shall be made for the 2007  
15 levy year and all subsequent levy years whenever one or more  
16 counties within which a taxing district is located (i) used  
17 estimated valuations or rates when extending taxes in the  
18 taxing district for the last preceding levy year that resulted  
19 in the over or under extension of taxes, or (ii) increased or  
20 decreased the tax extension for the last preceding levy year  
21 as required by Section 18-135(c). Whenever an adjustment is  
22 required under Section 18-135, the aggregate extension base of  
23 the taxing district shall be equal to the amount that the  
24 aggregate extension of the taxing district would have been for  
25 the last preceding levy year if either or both (i) actual,  
26 rather than estimated, valuations or rates had been used to

1 calculate the extension of taxes for the last levy year, or  
2 (ii) the tax extension for the last preceding levy year had not  
3 been adjusted as required by subsection (c) of Section 18-135.

4 Notwithstanding any other provision of law, for levy year  
5 2012, the aggregate extension base for West Northfield School  
6 District No. 31 in Cook County shall be \$12,654,592.

7 Notwithstanding any other provision of law, for levy year  
8 2022, the aggregate extension base of a home equity assurance  
9 program that levied at least \$1,000,000 in property taxes in  
10 levy year 2019 or 2020 under the Home Equity Assurance Act  
11 shall be the amount that the program's aggregate extension  
12 base for levy year 2021 would have been if the program had  
13 levied a property tax for levy year 2021.

14 "Levy year" has the same meaning as "year" under Section  
15 1-155.

16 "New property" means (i) the assessed value, after final  
17 board of review or board of appeals action, of new  
18 improvements or additions to existing improvements on any  
19 parcel of real property that increase the assessed value of  
20 that real property during the levy year multiplied by the  
21 equalization factor issued by the Department under Section  
22 17-30, (ii) the assessed value, after final board of review or  
23 board of appeals action, of real property not exempt from real  
24 estate taxation, which real property was exempt from real  
25 estate taxation for any portion of the immediately preceding  
26 levy year, multiplied by the equalization factor issued by the

1 Department under Section 17-30, including the assessed value,  
2 upon final stabilization of occupancy after new construction  
3 is complete, of any real property located within the  
4 boundaries of an otherwise or previously exempt military  
5 reservation that is intended for residential use and owned by  
6 or leased to a private corporation or other entity, (iii) in  
7 counties that classify in accordance with Section 4 of Article  
8 IX of the Illinois Constitution, an incentive property's  
9 additional assessed value resulting from a scheduled increase  
10 in the level of assessment as applied to the first year final  
11 board of review market value, and (iv) any increase in  
12 assessed value due to oil or gas production from an oil or gas  
13 well required to be permitted under the Hydraulic Fracturing  
14 Regulatory Act that was not produced in or accounted for  
15 during the previous levy year. In addition, the county clerk  
16 in a county containing a population of 3,000,000 or more shall  
17 include in the 1997 recovered tax increment value for any  
18 school district, any recovered tax increment value that was  
19 applicable to the 1995 tax year calculations.

20 "Qualified airport authority" means an airport authority  
21 organized under the Airport Authorities Act and located in a  
22 county bordering on the State of Wisconsin and having a  
23 population in excess of 200,000 and not greater than 500,000.

24 "Recovered tax increment value" means, except as otherwise  
25 provided in this paragraph, the amount of the current year's  
26 equalized assessed value, in the first year after a

1 municipality terminates the designation of an area as a  
2 redevelopment project area previously established under the  
3 Tax Increment Allocation Redevelopment Act in the Illinois  
4 Municipal Code, previously established under the Industrial  
5 Jobs Recovery Law in the Illinois Municipal Code, previously  
6 established under the Economic Development Project Area Tax  
7 Increment Act of 1995, or previously established under the  
8 Economic Development Area Tax Increment Allocation Act, of  
9 each taxable lot, block, tract, or parcel of real property in  
10 the redevelopment project area over and above the initial  
11 equalized assessed value of each property in the redevelopment  
12 project area. For the taxes which are extended for the 1997  
13 levy year, the recovered tax increment value for a non-home  
14 rule taxing district that first became subject to this Law for  
15 the 1995 levy year because a majority of its 1994 equalized  
16 assessed value was in an affected county or counties shall be  
17 increased if a municipality terminated the designation of an  
18 area in 1993 as a redevelopment project area previously  
19 established under the Tax Increment Allocation Redevelopment  
20 Act in the Illinois Municipal Code, previously established  
21 under the Industrial Jobs Recovery Law in the Illinois  
22 Municipal Code, or previously established under the Economic  
23 Development Area Tax Increment Allocation Act, by an amount  
24 equal to the 1994 equalized assessed value of each taxable  
25 lot, block, tract, or parcel of real property in the  
26 redevelopment project area over and above the initial

1 equalized assessed value of each property in the redevelopment  
2 project area. In the first year after a municipality removes a  
3 taxable lot, block, tract, or parcel of real property from a  
4 redevelopment project area established under the Tax Increment  
5 Allocation Redevelopment Act in the Illinois Municipal Code,  
6 the Industrial Jobs Recovery Law in the Illinois Municipal  
7 Code, or the Economic Development Area Tax Increment  
8 Allocation Act, "recovered tax increment value" means the  
9 amount of the current year's equalized assessed value of each  
10 taxable lot, block, tract, or parcel of real property removed  
11 from the redevelopment project area over and above the initial  
12 equalized assessed value of that real property before removal  
13 from the redevelopment project area.

14 Except as otherwise provided in this Section, "limiting  
15 rate" means a fraction the numerator of which is the last  
16 preceding aggregate extension base times an amount equal to  
17 one plus the extension limitation defined in this Section and  
18 the denominator of which is the current year's equalized  
19 assessed value of all real property in the territory under the  
20 jurisdiction of the taxing district during the prior levy  
21 year. For those taxing districts that reduced their aggregate  
22 extension for the last preceding levy year, except for school  
23 districts that reduced their extension for educational  
24 purposes pursuant to Section 18-206, the highest aggregate  
25 extension in any of the last 3 preceding levy years shall be  
26 used for the purpose of computing the limiting rate. The

1 denominator shall not include new property or the recovered  
2 tax increment value. If a new rate, a rate decrease, or a  
3 limiting rate increase has been approved at an election held  
4 after March 21, 2006, then (i) the otherwise applicable  
5 limiting rate shall be increased by the amount of the new rate  
6 or shall be reduced by the amount of the rate decrease, as the  
7 case may be, or (ii) in the case of a limiting rate increase,  
8 the limiting rate shall be equal to the rate set forth in the  
9 proposition approved by the voters for each of the years  
10 specified in the proposition, after which the limiting rate of  
11 the taxing district shall be calculated as otherwise provided.  
12 In the case of a taxing district that obtained referendum  
13 approval for an increased limiting rate on March 20, 2012, the  
14 limiting rate for tax year 2012 shall be the rate that  
15 generates the approximate total amount of taxes extendable for  
16 that tax year, as set forth in the proposition approved by the  
17 voters; this rate shall be the final rate applied by the county  
18 clerk for the aggregate of all capped funds of the district for  
19 tax year 2012.

20 (Source: P.A. 102-263, eff. 8-6-21; 102-311, eff. 8-6-21;  
21 102-519, eff. 8-20-21; 102-558, eff. 8-20-21; 102-707, eff.  
22 4-22-22; 102-813, eff. 5-13-22; 102-895, eff. 5-23-22;  
23 103-154, eff. 6-30-23.)

24 Section 175-10. The Community Mental Health Act is amended  
25 by changing Sections 3a, 3b, 3e, 3f, 4, 5, 6, and 7 as follows:

1 (405 ILCS 20/3a) (from Ch. 91 1/2, par. 303a)

2 Sec. 3a. Every governmental unit authorized to levy an  
3 annual tax under any of the provisions of this Act shall,  
4 before it may levy such tax, establish a 7 member community  
5 mental health board who shall administer this Act. Such board  
6 shall be appointed by the chairman of the governing body of a  
7 county, the mayor of a city, the president of a village, the  
8 president of an incorporated town, or the supervisor of a  
9 township, as the case may be, with the advice and consent of  
10 the governing body of such county, city, village, incorporated  
11 town or the town board of trustees of any township, except in  
12 any county with a county executive form of government, if  
13 applicable, the county executive shall appoint the board with  
14 the advice and consent of the county board. Members of the  
15 community mental health board shall be residents of the  
16 government unit and, as nearly as possible, be representative  
17 of interested groups of the community such as local health  
18 departments, ~~medical societies,~~ local comprehensive health  
19 planning agencies, hospital boards, lay associations concerned  
20 with mental health, developmental disabilities and substance  
21 abuse, and individuals with professional or lived expertise in  
22 mental health, developmental disabilities, and substance abuse  
23 as well as the general public. General public representation  
24 may also be considered for appointment when there are gaps in  
25 board duties and qualifications that cannot be filled from the



1 above stated categories. Only one member shall be a member of  
2 the governing body, with the term of membership on the board to  
3 run concurrently with the elected term of the member. The  
4 chairman of the governing body may, upon the request of the  
5 community mental health board, appoint 2 additional members to  
6 the community mental health board. No member of the community  
7 mental health board may be a full-time or part-time employee  
8 of the Department of Human Services or a board member,  
9 employee or any other individual receiving compensation from  
10 any facility or service operating under contract to the board.  
11 If a successful referendum is held under Section 5 of this Act,  
12 all members of such board shall be appointed within 60 days  
13 after the local election authority certifies the passage of  
14 the referendum. If a community mental health board has been  
15 established by a county with a population of less than 500,000  
16 and the community mental health board is funded in whole or in  
17 part by a special mental health sales tax described in  
18 paragraph (4) of subsection (a) of Section 5-1006.5 of the  
19 Counties Code, the largest municipality in the county with at  
20 least 125,000 residents may appoint 2 additional members to  
21 the board. The members shall be appointed by the mayor of the  
22 municipality with the advice and consent of the municipality's  
23 governing body.

24 Home rule units are exempt from this Act. However, they  
25 may, by ordinance, adopt the provisions of this Act, or any  
26 portion thereof, that they may deem advisable.

1           The tax rate set forth in Section 4 may be levied by any  
2 non-home rule unit only pursuant to the approval by the voters  
3 at a referendum. Such referendum may have been held at any time  
4 subsequent to the effective date of the Community Mental  
5 Health Act.

6           (Source: P.A. 103-274, eff. 1-1-24; 103-565, eff. 11-17-23.)

7           (405 ILCS 20/3b) (from Ch. 91 1/2, par. 303b)

8           Sec. 3b. The term of office of each member of the community  
9 mental health board shall be for 4 years, provided, however,  
10 that of the members first appointed, 2 shall be appointed for a  
11 term of 2 years, 2 for a term of 3 years and 3 for a term of 4  
12 years. All terms shall be measured from the first day of the  
13 month of appointment. Vacancies shall be filled ~~for the~~  
14 ~~unexpired term~~ in the same manner as original appointments  
15 with the advice of the community mental health board, who may  
16 establish a policy and procedure for the acceptance and review  
17 of applications from interested residents prior to making a  
18 recommendation to the appointing authority. A community mental  
19 health board may provide advice to the governing body and may  
20 establish a policy and procedure for the acceptance and review  
21 of applications from interested residents prior to making a  
22 recommendation to the appointing authority.

23           (Source: P.A. 103-274, eff. 1-1-24.)

24           (405 ILCS 20/3e) (from Ch. 91 1/2, par. 303e)

1           Sec. 3e. Board's powers and duties.

2           (1) Every community mental health board shall, within 30  
3 days after members are first appointed and within 30 days  
4 after members are appointed or reappointed upon the expiration  
5 of a member's term, meet and organize, by the election of one  
6 of its number as president and one as secretary and such other  
7 officers as it may deem necessary. It shall make rules and  
8 regulations concerning the rendition or operation of services  
9 and facilities which it directs, supervises or funds, not  
10 inconsistent with the provisions of this Act. It shall:

11           (a) Hold a meeting prior to July 1 of each year at  
12 which officers shall be elected for the ensuing year  
13 beginning July 1. If the community mental health board has  
14 already held or scheduled an election to take place prior  
15 to July 1, an additional election is not required on the  
16 basis of the appointment or reappointment of a member to  
17 the community mental health board;

18           (b) Hold meetings at least quarterly;

19           (c) Hold special meetings upon a written request  
20 signed by at least 2 members and filed with the secretary;

21           (d) Review and evaluate community mental health  
22 services and facilities, including services and facilities  
23 for the treatment of alcoholism, drug addiction,  
24 developmental disabilities, and intellectual  
25 disabilities;

26           (e) Authorize the disbursement of money from the

1 community mental health fund for payment for the ordinary  
2 and contingent expenses of the board;

3 (f) Submit to the appointing officer and the members  
4 of the governing body a written plan for a program of  
5 community mental health services and facilities for  
6 persons with a mental illness, a developmental disability,  
7 or a substance use disorder. Such plan shall be for the  
8 ensuing 12 month period. In addition, a plan shall be  
9 developed for the ensuing 3 year period and such plan  
10 shall be reviewed at the end of every 12 month period and  
11 shall be modified as deemed advisable;:-

12 (g) Within amounts appropriated therefor, execute such  
13 programs and maintain such services and facilities as may  
14 be authorized under such appropriations, including amounts  
15 appropriated under bond issues, if any;

16 (h) Publish the annual budget and report within 180  
17 ~~120~~ days after the end of the fiscal year in a newspaper  
18 distributed within the jurisdiction of the board, or, if  
19 no newspaper is published within the jurisdiction of the  
20 board, then one published in the county, or, if no  
21 newspaper is published in the county, then in a newspaper  
22 having general circulation within the jurisdiction of the  
23 board. The report shall show the condition of its trust of  
24 that year, the sums of money received from all sources,  
25 giving the name of any donor, how all monies have been  
26 expended and for what purpose, and such other statistics

1 and program information in regard to the work of the board  
2 as it may deem of general interest. A copy of the budget  
3 and the annual report shall be made available to the  
4 Department of Human Services and to members of the General  
5 Assembly whose districts include any part of the  
6 jurisdiction of such board. The names of all employees,  
7 consultants, and other personnel shall be set forth along  
8 with the amounts of money received;

9 (i) Consult with other appropriate private and public  
10 agencies in the development of local plans for the most  
11 efficient delivery of mental health, developmental  
12 disabilities, and substance use disorder services. The  
13 Board is authorized to join and to participate in the  
14 activities of associations organized for the purpose of  
15 promoting more efficient and effective services and  
16 programs;

17 (j) Have the authority to review and comment on all  
18 applications for grants by any person, corporation, or  
19 governmental unit providing services within the  
20 geographical area of the board which provides mental  
21 health facilities and services, including services for the  
22 person with a mental illness, a developmental disability,  
23 or a substance use disorder. The board may require funding  
24 applicants to send a copy of their funding application to  
25 the board at the time such application is submitted to the  
26 Department of Human Services or to any other local, State

1 or federal funding source or governmental agency. Within  
2 60 days of the receipt of any application, the board shall  
3 submit its review and comments to the Department of Human  
4 Services or to any other appropriate local, State or  
5 federal funding source or governmental agency. A copy of  
6 the review and comments shall be submitted to the funding  
7 applicant. Within 60 days thereafter, the Department of  
8 Human Services or any other appropriate local or State  
9 governmental agency shall issue a written response to the  
10 board and the funding applicant. The Department of Human  
11 Services or any other appropriate local or State  
12 governmental agency shall supply any community mental  
13 health board such information about purchase-of-care  
14 funds, State facility utilization, and costs in its  
15 geographical area as the board may request provided that  
16 the information requested is for the purpose of the  
17 Community Mental Health Board complying with the  
18 requirements of Section 3f, subsection (f) of this Act;

19 (k) Perform such other acts as may be necessary or  
20 proper to carry out the purposes of this Act.

21 (2) The community mental health board has the following  
22 powers:

23 (a) The board may enter into multiple-year contracts  
24 for rendition or operation of services, facilities and  
25 educational programs.

26 (b) The board may arrange through intergovernmental

1 agreements or intragovernmental agreements or both for the  
2 rendition of services and operation of facilities by other  
3 agencies or departments of the governmental unit or county  
4 in which the governmental unit is located with the  
5 approval of the governing body.

6 (c) To employ, establish compensation for, and set  
7 policies for its personnel, including legal counsel, as  
8 may be necessary to carry out the purposes of this Act and  
9 prescribe the duties thereof. The board may enter into  
10 multiple-year employment contracts as may be necessary for  
11 the recruitment and retention of personnel and the proper  
12 functioning of the board.

13 (d) The board may enter into multiple-year joint  
14 agreements, which shall be written, with other mental  
15 health boards and boards of health to provide jointly  
16 agreed upon community mental health facilities and  
17 services and to pool such funds as may be deemed necessary  
18 and available for this purpose.

19 (e) The board may organize a not-for-profit  
20 corporation for the purpose of providing direct recipient  
21 services. Such corporations shall have, in addition to all  
22 other lawful powers, the power to contract with persons to  
23 furnish services for recipients of the corporation's  
24 facilities, including psychiatrists and other physicians  
25 licensed in this State to practice medicine in all of its  
26 branches. Such physicians shall be considered independent

1 contractors, and liability for any malpractice shall not  
2 extend to such corporation, nor to the community mental  
3 health board, except for gross negligence in entering into  
4 such a contract.

5 (f) The board shall not operate any direct recipient  
6 services for more than a 2-year period when such services  
7 are being provided in the governmental unit, but shall  
8 encourage, by financial support, the development of  
9 private agencies to deliver such needed services, pursuant  
10 to regulations of the board.

11 (g) Where there are multiple boards within the same  
12 planning area, as established by the Department of Human  
13 Services, services may be purchased through a single  
14 delivery system. In such areas, a coordinating body with  
15 representation from each board shall be established to  
16 carry out the service functions of this Act. In the event  
17 any such coordinating body purchases or improves real  
18 property, such body shall first obtain the approval of the  
19 governing bodies of the governmental units in which the  
20 coordinating body is located.

21 (h) The board may enter into multiple-year joint  
22 agreements with other governmental units located within  
23 the geographical area of the board. Such agreements shall  
24 be written and shall provide for the rendition of services  
25 by the board to the residents of such governmental units.

26 (i) The board may enter into multiple-year joint



1 agreements with federal, State, and local governments,  
2 including the Department of Human Services or any other  
3 appropriate local or State governmental agency, whereby  
4 the board will provide certain services. All such joint  
5 agreements must provide for the exchange of relevant data.  
6 However, nothing in this Act shall be construed to permit  
7 the abridgement of the confidentiality of patient records.

8 (j) The board may receive gifts from private sources  
9 for purposes not inconsistent with the provisions of this  
10 Act.

11 (k) The board may receive federal ~~Federal~~, State, and  
12 local funds for purposes not inconsistent with the  
13 provisions of this Act.

14 (l) The board may establish scholarship programs. Such  
15 programs shall require equivalent service or reimbursement  
16 pursuant to regulations of the board.

17 (m) The board may sell, rent, or lease real property  
18 for purposes consistent with this Act.

19 (n) The board may: (i) own real property, lease real  
20 property as lessee, or acquire real property by purchase,  
21 construction, lease-purchase agreement, or otherwise; (ii)  
22 take title to the property in the board's name; (iii)  
23 borrow money and issue debt instruments, mortgages,  
24 purchase-money mortgages, and other security instruments  
25 with respect to the property; and (iv) maintain, repair,  
26 remodel, or improve the property. All of these activities

1 must be for purposes consistent with this Act as may be  
2 reasonably necessary for the housing and proper  
3 functioning of the board. The board may use moneys in the  
4 Community Mental Health Fund for these purposes.

5 (o) The board may organize a not-for-profit  
6 corporation (i) for the purpose of raising money to be  
7 distributed by the board for providing community mental  
8 health services and facilities for the treatment of  
9 alcoholism, drug addiction, developmental disabilities,  
10 and intellectual disabilities or (ii) for other purposes  
11 not inconsistent with this Act.

12 (p) The board may fix a fiscal year for the board.

13 (q) The board has the responsibility to set, maintain,  
14 and implement the budget.

15 (r) The board may establish professional incentive  
16 programs for the purposes of workforce development and  
17 retention that may include education assistance, student  
18 loan repayment, professional certification and licensure  
19 assistance, and internship stipends.

20 Every board shall be subject to the requirements under the  
21 Freedom of Information Act and the Open Meetings Act.

22 (Source: P.A. 103-274, eff. 1-1-24; revised 1-20-24.)

23 (405 ILCS 20/3f) (from Ch. 91 1/2, par. 303f)

24 Sec. 3f. Annually, each community mental health board  
25 shall prepare and submit, for informational purposes in the

1 appropriations process, to the appointing officer and  
2 governing body referred to in Section 3a: (a) an annual budget  
3 showing the estimated receipts and intended disbursements  
4 pursuant to this Act for the fiscal year immediately following  
5 the date the budget is submitted, which date must be at least  
6 30 days prior to the start of the fiscal year, and (b) an  
7 annual report detailing the income received and disbursements  
8 made pursuant to this Act during the fiscal year just  
9 preceding the date the annual report is submitted, which date  
10 must be within 180 ~~90~~ days of the end ~~close~~ of that fiscal  
11 year. Such report shall also include those matters set forth  
12 in Section 8 of this Act.

13 (Source: P.A. 95-336, eff. 8-21-07.)

14 (405 ILCS 20/4) (from Ch. 91 1/2, par. 304)

15 Sec. 4. In order to provide the necessary funds or to  
16 supplement existing funds for such community mental health  
17 facilities and services, including facilities and services for  
18 the person with a developmental disability or a substance use  
19 disorder, the governing body of any governmental unit, subject  
20 to the provisions of Section 5, may levy an annual tax of not  
21 to exceed .15% upon all of the taxable property in such  
22 governmental unit at the value thereof, as equalized or  
23 assessed by the Department of Revenue. Such tax shall be  
24 levied and collected in the same manner as other governmental  
25 unit taxes, but shall not be included in any limitation

1 otherwise prescribed as to the rate or amount of governmental  
2 unit taxes, but shall be in addition thereto and in excess  
3 thereof.

4 An annual tax levied by any governmental unit under this  
5 Section is separate and distinct from all other property taxes  
6 levied by that governmental unit and (1) shall not be  
7 considered an increase for purposes of the application of the  
8 Truth in Taxation Law and its requirements and (2) shall not be  
9 subject to the Property Tax Extension Limitation Law.

10 When collected, such tax shall be paid into a special fund  
11 to be designated as the "Community Mental Health Fund" which  
12 shall, upon authorization by the appropriate governmental  
13 unit, be administered by the community mental health board and  
14 used only for the purposes specified in this Act. Nothing  
15 contained herein shall in any way preclude the use of other  
16 funds available for such purposes under any existing Federal,  
17 State or local statute. Interest earned from moneys deposited  
18 in this Fund shall only be used for purposes which are  
19 authorized by this Act.

20 In any city, village, incorporated town, or township which  
21 levies a tax for the purpose of providing community mental  
22 health facilities and services and part or all of such city,  
23 village, incorporated town, or township is in a county or  
24 township, as the case may be, which levies a tax to provide  
25 community mental health facilities and services under the  
26 provisions of this Act, such county or township, as the case

1 may be, shall pay to such city, village, incorporated town, or  
2 township, as the case may be, the entire amount collected from  
3 taxes under this Section on property subject to a tax which any  
4 city, village, incorporated town, or township thereof levies  
5 to provide community mental health facilities and services.

6 Whenever any city, village, incorporated town, or township  
7 receives any payments from a county or township as provided  
8 above, such city, village, incorporated town, or township  
9 shall reduce and abate from the tax levied by the authority of  
10 this Section a rate which would produce an amount equal to the  
11 amount received from such county or township.

12 (Source: P.A. 95-336, eff. 8-21-07.)

13 (405 ILCS 20/5) (from Ch. 91 1/2, par. 305)

14 Sec. 5. (a) When the governing body of a governmental unit  
15 passes a resolution as provided in Section 4 asking that an  
16 annual tax may be levied for the purpose of providing such  
17 mental health facilities and services, including facilities  
18 and services for the person with a developmental disability or  
19 a substance use disorder, in the community and so instructs  
20 the clerk of the governmental unit such clerk shall certify  
21 the proposition to the proper election officials for  
22 submission at a regular election in accordance with the  
23 general election law. The proposition shall be in  
24 substantially the following form:

25 -----

1 Shall..... (governmental

2 unit) levy an annual tax

3 not to exceed ~~of (no not~~ YES

4 more than .15%) for the purpose

5 of providing community mental

6 health facilities and -----

7 services including facilities

8 and services for persons with

9 a developmental disability or a NO

10 substance use disorder?

11 -----

12 (a-5) In addition, the ballot for any proposition  
13 submitted pursuant to this Section shall have printed thereon,  
14 but not as part of the proposition submitted, only the  
15 following supplemental information (which shall be supplied to  
16 the election authority by the taxing district) in  
17 substantially the following form:

18 (1) The approximate amount of taxes extendable at the  
19 most recently extended limiting rate is \$...., and the  
20 approximate amount of taxes extendable if the proposition  
21 is approved is \$....

22 (2) For the .... (insert the first levy year for which  
23 the new rate or increase limiting rate will be applicable)  
24 levy year the approximate amount of the additional tax  
25 extendable against property containing a single family  
26 residence and having a fair market value at the time of the

1       referendum of \$100,000 is estimated to be \$....

2       If a proposition contains the language in substantially  
3 the form provided above the referendum is valid  
4 notwithstanding any other provision of the law. ~~If the~~  
5 ~~governmental unit is also subject to the Property Tax~~  
6 ~~Extension Limitation Law, then the proposition shall also~~  
7 ~~comply with the Property Tax Extension Limitation Law.~~  
8 Notwithstanding any provision of this subsection, any  
9 referendum imposing an annual tax on or after January 1, 1994  
10 and prior to the effective date of this amendatory Act of the  
11 103rd General Assembly that complies with subsection (a) is  
12 hereby validated.

13       (b) If a majority of all the votes cast upon the  
14 proposition are for the levy of such tax, the governing body of  
15 such governmental unit shall thereafter annually levy a tax  
16 not to exceed the rate set forth in Section 4. Thereafter, the  
17 governing body shall in the annual appropriation bill  
18 appropriate from such funds such sum or sums of money as may be  
19 deemed necessary by the community mental health board, based  
20 upon the community mental health board's budget, the board's  
21 annual mental health report, and the local mental health plan  
22 to defray necessary expenses and liabilities in providing for  
23 such community mental health facilities and services.

24       (c) If the governing body of a governmental unit levies a  
25 tax under Section 4 of this Act and the rate specified in the  
26 proposition under subsection (a) of this Section is less than

1 0.15%, then the governing body of the governmental unit may,  
2 upon referendum approval, increase that rate to not more than  
3 0.15%. The governing body shall instruct the clerk of the  
4 governmental unit to certify the proposition to the proper  
5 election officials for submission at a regular election in  
6 accordance with the general election law. The proposition  
7 shall be in the following form:

8 "Shall the tax imposed by (governmental unit) for the  
9 purpose of providing community mental health facilities  
10 and services, including facilities and services for  
11 persons with a developmental disability or substance use  
12 disorder be increased to (not more than 0.15%)?"

13 If a majority of all the votes cast upon the proposition  
14 are for the increase of the tax, then the governing body of the  
15 governmental unit may thereafter annually levy a tax not to  
16 exceed the rate set forth in the referendum question. Nothing  
17 in this Section prevents a governmental unit from levying less  
18 than the amount approved by the voters via referendum in any  
19 given year or varying the amount levied from year to year as  
20 approved by the governmental unit.

21 (Source: P.A. 102-839, eff. 5-13-22; 102-935, eff. 7-1-22;  
22 103-154, eff. 6-30-23; 103-274, eff. 1-1-24; 103-565, eff.  
23 11-17-23.)

24 (405 ILCS 20/6) (from Ch. 91 1/2, par. 306)

25 Sec. 6. Whenever the governing body of any governmental



1 unit has not provided the community mental health facilities  
2 and services provided in Section 2 and levied the tax provided  
3 in Section 4 and a petition signed by electors of the  
4 governmental unit equal in number to at least 10% of the total  
5 votes cast for the office which received the greatest total  
6 number of votes at the last preceding general governmental  
7 unit election is presented to the clerk of the governmental  
8 unit requesting the establishment and maintenance of such  
9 community mental health facilities and services, including  
10 facilities and services for the person with a developmental  
11 disability or a substance use disorder, for residents thereof  
12 and the levy of such an annual tax therefor, the governing body  
13 of the governmental unit, subject to the provisions of Section  
14 7, shall establish and maintain such community mental health  
15 facilities and services and shall levy such an annual tax of  
16 not to exceed .15% upon all of the taxable property in such  
17 governmental unit at the value thereof, as equalized or  
18 assessed by the Department of Revenue. Such tax shall be  
19 levied and collected in the same manner as other governmental  
20 unit taxes, but shall not be included in any limitation  
21 otherwise prescribed as to the rate or amount of governmental  
22 unit taxes, but shall be in addition thereto and in excess  
23 thereof.

24 An annual tax levied by any governmental unit under this  
25 Section is separate and distinct from all other property taxes  
26 levied by that governmental unit and (1) shall not be

1 considered an increase for purposes of the application of the  
2 Truth in Taxation Law and its requirements and (2) shall not be  
3 subject to the Property Tax Extension Limitation Law.

4       When collected, such tax shall be paid into a special fund  
5 to be designated as the "Community Mental Health Fund" which  
6 shall, upon authorization by the appropriate governmental  
7 unit, be administered by the community mental health board and  
8 used only for the purposes specified in this Act. Nothing  
9 contained herein shall in any way preclude the use of other  
10 funds available for such purposes under any existing Federal,  
11 State or local statute. Interest earned from moneys deposited  
12 in this Fund shall only be used for purposes which are  
13 authorized by this Act.

14       In any city, village, incorporated town, or township which  
15 levies a tax for the purpose of providing community mental  
16 health facilities and services and part or all of such city,  
17 village, incorporated town, or township is in a county or  
18 township, as the case may be, which levies a tax to provide  
19 community mental health facilities and services under the  
20 provisions of this Act, such county or township, as the case  
21 may be, shall pay to such city, village, incorporated town, or  
22 township, as the case may be, the entire amount collected from  
23 taxes under this Section on property subject to a tax which any  
24 city, village, incorporated town, or township thereof levies  
25 to provide community mental health facilities and services.

26       Whenever any city, village, incorporated town, or township

1 receives any payments from a county or township as provided  
 2 above, such city, village, incorporated town, or township  
 3 shall reduce and abate from the tax levied by the authority of  
 4 this Section a rate which would produce an amount equal to the  
 5 amount received from such county or township.

6 (Source: P.A. 95-336, eff. 8-21-07.)

7 (405 ILCS 20/7) (from Ch. 91 1/2, par. 307)

8 Sec. 7. When the petition provided for in Section 6 is  
 9 presented to the clerk of the governmental unit requesting the  
 10 establishment and maintenance of such mental health facilities  
 11 and services for residents of the community and the levy of  
 12 such an annual tax therefor, the clerk of the governmental  
 13 unit shall certify to the proper election officials the  
 14 proposition for the levy of such tax which shall be submitted  
 15 at a regular election in accordance with the general election  
 16 law. The proposition shall be in substantially the following  
 17 form:

18 -----

19 Shall.....

20 (governmental unit) establish and

21 maintain community mental health YES

22 facilities and services including

23 facilities and services for the -----

24 person with a developmental

25 disability or a substance NO

1 use disorder and levy therefor an  
2 annual tax of not to exceed .15%?

3 -----  
4 In addition to certification of the question, the clerk of  
5 the governmental unit shall prepare and submit to the proper  
6 elected officials the following language which shall have  
7 printed thereon, but not as part of the proposition submitted,  
8 only the following supplemental information (which shall be  
9 supplied to the election authority by the taxing district) in  
10 substantially the following form:

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

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

21 If a proposition contains the language in substantially  
22 the form provided in paragraphs (1) and (2), the referendum is  
23 valid notwithstanding any other provision of the law.

24 If a majority of all the votes cast upon the proposition  
25 are in favor thereof, the governing body of such governmental  
26 unit shall establish and maintain such community mental health

1 facilities and services and shall annually levy such tax.  
2 Thereafter, the governing body shall in the annual  
3 appropriation bill appropriate from such funds such sum or  
4 sums of money as may be deemed necessary, based upon the  
5 community mental health board's budget, the board's annual  
6 mental health report, and the board's plan to defray necessary  
7 expenses and liabilities in providing for such community  
8 mental health facilities and services.

9 Nothing in this Section prevents a governmental unit from  
10 levying less than the amount approved by the voters via  
11 referendum in any given year or varying the amount levied from  
12 year to year as approved by the governmental unit.

13 (Source: P.A. 95-336, eff. 8-21-07.)

14 Section 175-97. Retroactivity. The changes made by this  
15 Article apply to referenda creating community mental health  
16 boards, including community mental health boards located in  
17 counties that have adopted a county executive form of  
18 government under Division 2-5 of the Counties Code, to levy an  
19 annual tax for the establishment and maintenance of mental  
20 health facilities and services for residents of the community  
21 that were approved or validated on or after January 1, 2020 and  
22 to referenda that are approved on or after the effective date  
23 of this Article.

1           Section 999-95. No acceleration or delay. Where this Act  
2 makes changes in a statute that is represented in this Act by  
3 text that is not yet or no longer in effect (for example, a  
4 Section represented by multiple versions), the use of that  
5 text does not accelerate or delay the taking effect of (i) the  
6 changes made by this Act or (ii) provisions derived from any  
7 other Public Act.

8           Section 999-97. Severability. The provisions of this Act  
9 are severable under Section 1.31 of the Statute on Statutes.

10           Section 999-99. Effective date. This Act takes effect upon  
11 becoming law, except that Article 65 takes effect July 1,  
12 2024, Articles 20, 25, 50, 75, 80,95, 125, 135, 140, and 160  
13 take effect January 1, 2025, and Article 150 takes effect  
14 February 1, 2025."