



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4987

Introduced 2/8/2024, by Rep. Ryan Spain

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5	
35 ILCS 105/3-10	
35 ILCS 105/3a	from Ch. 120, par. 439.3a
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-5	
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-5	
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-5	
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that food for human consumption that is to be consumed off the premises where it is sold is exempt from the taxes imposed under those Acts. Provides for a transfer from the General Revenue Fund to certain local tax funds of amounts that would have been deposited into those funds if the tax on those items had been imposed at the rate of 1%. Effective immediately.

LRB103 34737 HLH 64585 b

1 AN ACT concerning revenue.

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

4 Section 10. The Use Tax Act is amended by changing
5 Sections 3-5, 3-10, 3a, and 9 as follows:

6 (35 ILCS 105/3-5)

7 Sec. 3-5. Exemptions. Use of the following tangible
8 personal property is exempt from the tax imposed by this Act:

9 (1) Personal property purchased from a corporation,
10 society, association, foundation, institution, or
11 organization, other than a limited liability company, that is
12 organized and operated as a not-for-profit service enterprise
13 for the benefit of persons 65 years of age or older if the
14 personal property was not purchased by the enterprise for the
15 purpose of resale by the enterprise.

16 (2) Personal property purchased by a not-for-profit
17 Illinois county fair association for use in conducting,
18 operating, or promoting the county fair.

19 (3) Personal property purchased by a not-for-profit arts
20 or cultural organization that establishes, by proof required
21 by the Department by rule, that it has received an exemption
22 under Section 501(c)(3) of the Internal Revenue Code and that
23 is organized and operated primarily for the presentation or

1 support of arts or cultural programming, activities, or
2 services. These organizations include, but are not limited to,
3 music and dramatic arts organizations such as symphony
4 orchestras and theatrical groups, arts and cultural service
5 organizations, local arts councils, visual arts organizations,
6 and media arts organizations. On and after July 1, 2001 (the
7 effective date of Public Act 92-35), however, an entity
8 otherwise eligible for this exemption shall not make tax-free
9 purchases unless it has an active identification number issued
10 by the Department.

11 (4) Except as otherwise provided in this Act, personal
12 property purchased by a governmental body, by a corporation,
13 society, association, foundation, or institution organized and
14 operated exclusively for charitable, religious, or educational
15 purposes, or by a not-for-profit corporation, society,
16 association, foundation, institution, or organization that has
17 no compensated officers or employees and that is organized and
18 operated primarily for the recreation of persons 55 years of
19 age or older. A limited liability company may qualify for the
20 exemption under this paragraph only if the limited liability
21 company is organized and operated exclusively for educational
22 purposes. On and after July 1, 1987, however, no entity
23 otherwise eligible for this exemption shall make tax-free
24 purchases unless it has an active exemption identification
25 number issued by the Department.

26 (5) Until July 1, 2003, a passenger car that is a

1 replacement vehicle to the extent that the purchase price of
2 the car is subject to the Replacement Vehicle Tax.

3 (6) Until July 1, 2003 and beginning again on September 1,
4 2004 through August 30, 2014, graphic arts machinery and
5 equipment, including repair and replacement parts, both new
6 and used, and including that manufactured on special order,
7 certified by the purchaser to be used primarily for graphic
8 arts production, and including machinery and equipment
9 purchased for lease. Equipment includes chemicals or chemicals
10 acting as catalysts but only if the chemicals or chemicals
11 acting as catalysts effect a direct and immediate change upon
12 a graphic arts product. Beginning on July 1, 2017, graphic
13 arts machinery and equipment is included in the manufacturing
14 and assembling machinery and equipment exemption under
15 paragraph (18).

16 (7) Farm chemicals.

17 (8) Legal tender, currency, medallions, or gold or silver
18 coinage issued by the State of Illinois, the government of the
19 United States of America, or the government of any foreign
20 country, and bullion.

21 (9) Personal property purchased from a teacher-sponsored
22 student organization affiliated with an elementary or
23 secondary school located in Illinois.

24 (10) A motor vehicle that is used for automobile renting,
25 as defined in the Automobile Renting Occupation and Use Tax
26 Act.

1 (11) Farm machinery and equipment, both new and used,
2 including that manufactured on special order, certified by the
3 purchaser to be used primarily for production agriculture or
4 State or federal agricultural programs, including individual
5 replacement parts for the machinery and equipment, including
6 machinery and equipment purchased for lease, and including
7 implements of husbandry defined in Section 1-130 of the
8 Illinois Vehicle Code, farm machinery and agricultural
9 chemical and fertilizer spreaders, and nurse wagons required
10 to be registered under Section 3-809 of the Illinois Vehicle
11 Code, but excluding other motor vehicles required to be
12 registered under the Illinois Vehicle Code. Horticultural
13 polyhouses or hoop houses used for propagating, growing, or
14 overwintering plants shall be considered farm machinery and
15 equipment under this item (11). Agricultural chemical tender
16 tanks and dry boxes shall include units sold separately from a
17 motor vehicle required to be licensed and units sold mounted
18 on a motor vehicle required to be licensed if the selling price
19 of the tender is separately stated.

20 Farm machinery and equipment shall include precision
21 farming equipment that is installed or purchased to be
22 installed on farm machinery and equipment, including, but not
23 limited to, tractors, harvesters, sprayers, planters, seeders,
24 or spreaders. Precision farming equipment includes, but is not
25 limited to, soil testing sensors, computers, monitors,
26 software, global positioning and mapping systems, and other

1 such equipment.

2 Farm machinery and equipment also includes computers,
3 sensors, software, and related equipment used primarily in the
4 computer-assisted operation of production agriculture
5 facilities, equipment, and activities such as, but not limited
6 to, the collection, monitoring, and correlation of animal and
7 crop data for the purpose of formulating animal diets and
8 agricultural chemicals.

9 Beginning on January 1, 2024, farm machinery and equipment
10 also includes electrical power generation equipment used
11 primarily for production agriculture.

12 This item (11) is exempt from the provisions of Section
13 3-90.

14 (12) Until June 30, 2013, fuel and petroleum products sold
15 to or used by an air common carrier, certified by the carrier
16 to be used for consumption, shipment, or storage in the
17 conduct of its business as an air common carrier, for a flight
18 destined for or returning from a location or locations outside
19 the United States without regard to previous or subsequent
20 domestic stopovers.

21 Beginning July 1, 2013, fuel and petroleum products sold
22 to or used by an air carrier, certified by the carrier to be
23 used for consumption, shipment, or storage in the conduct of
24 its business as an air common carrier, for a flight that (i) is
25 engaged in foreign trade or is engaged in trade between the
26 United States and any of its possessions and (ii) transports

1 at least one individual or package for hire from the city of
2 origination to the city of final destination on the same
3 aircraft, without regard to a change in the flight number of
4 that aircraft.

5 (13) Proceeds of mandatory service charges separately
6 stated on customers' bills for the purchase and consumption of
7 food and beverages purchased at retail from a retailer, to the
8 extent that the proceeds of the service charge are in fact
9 turned over as tips or as a substitute for tips to the
10 employees who participate directly in preparing, serving,
11 hosting or cleaning up the food or beverage function with
12 respect to which the service charge is imposed.

13 (14) Until July 1, 2003, oil field exploration, drilling,
14 and production equipment, including (i) rigs and parts of
15 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
16 pipe and tubular goods, including casing and drill strings,
17 (iii) pumps and pump-jack units, (iv) storage tanks and flow
18 lines, (v) any individual replacement part for oil field
19 exploration, drilling, and production equipment, and (vi)
20 machinery and equipment purchased for lease; but excluding
21 motor vehicles required to be registered under the Illinois
22 Vehicle Code.

23 (15) Photoprocessing machinery and equipment, including
24 repair and replacement parts, both new and used, including
25 that manufactured on special order, certified by the purchaser
26 to be used primarily for photoprocessing, and including

1 photoprocessing machinery and equipment purchased for lease.

2 (16) Until July 1, 2028, coal and aggregate exploration,
3 mining, off-highway hauling, processing, maintenance, and
4 reclamation equipment, including replacement parts and
5 equipment, and including equipment purchased for lease, but
6 excluding motor vehicles required to be registered under the
7 Illinois Vehicle Code. The changes made to this Section by
8 Public Act 97-767 apply on and after July 1, 2003, but no claim
9 for credit or refund is allowed on or after August 16, 2013
10 (the effective date of Public Act 98-456) for such taxes paid
11 during the period beginning July 1, 2003 and ending on August
12 16, 2013 (the effective date of Public Act 98-456).

13 (17) Until July 1, 2003, distillation machinery and
14 equipment, sold as a unit or kit, assembled or installed by the
15 retailer, certified by the user to be used only for the
16 production of ethyl alcohol that will be used for consumption
17 as motor fuel or as a component of motor fuel for the personal
18 use of the user, and not subject to sale or resale.

19 (18) Manufacturing and assembling machinery and equipment
20 used primarily in the process of manufacturing or assembling
21 tangible personal property for wholesale or retail sale or
22 lease, whether that sale or lease is made directly by the
23 manufacturer or by some other person, whether the materials
24 used in the process are owned by the manufacturer or some other
25 person, or whether that sale or lease is made apart from or as
26 an incident to the seller's engaging in the service occupation

1 of producing machines, tools, dies, jigs, patterns, gauges, or
2 other similar items of no commercial value on special order
3 for a particular purchaser. The exemption provided by this
4 paragraph (18) includes production related tangible personal
5 property, as defined in Section 3-50, purchased on or after
6 July 1, 2019. The exemption provided by this paragraph (18)
7 does not include machinery and equipment used in (i) the
8 generation of electricity for wholesale or retail sale; (ii)
9 the generation or treatment of natural or artificial gas for
10 wholesale or retail sale that is delivered to customers
11 through pipes, pipelines, or mains; or (iii) the treatment of
12 water for wholesale or retail sale that is delivered to
13 customers through pipes, pipelines, or mains. The provisions
14 of Public Act 98-583 are declaratory of existing law as to the
15 meaning and scope of this exemption. Beginning on July 1,
16 2017, the exemption provided by this paragraph (18) includes,
17 but is not limited to, graphic arts machinery and equipment,
18 as defined in paragraph (6) of this Section.

19 (19) Personal property delivered to a purchaser or
20 purchaser's donee inside Illinois when the purchase order for
21 that personal property was received by a florist located
22 outside Illinois who has a florist located inside Illinois
23 deliver the personal property.

24 (20) Semen used for artificial insemination of livestock
25 for direct agricultural production.

26 (21) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club
2 Registry of America, Appaloosa Horse Club, American Quarter
3 Horse Association, United States Trotting Association, or
4 Jockey Club, as appropriate, used for purposes of breeding or
5 racing for prizes. This item (21) is exempt from the
6 provisions of Section 3-90, and the exemption provided for
7 under this item (21) applies for all periods beginning May 30,
8 1995, but no claim for credit or refund is allowed on or after
9 January 1, 2008 for such taxes paid during the period
10 beginning May 30, 2000 and ending on January 1, 2008.

11 (22) Computers and communications equipment utilized for
12 any hospital purpose and equipment used in the diagnosis,
13 analysis, or treatment of hospital patients purchased by a
14 lessor who leases the equipment, under a lease of one year or
15 longer executed or in effect at the time the lessor would
16 otherwise be subject to the tax imposed by this Act, to a
17 hospital that has been issued an active tax exemption
18 identification number by the Department under Section 1g of
19 the Retailers' Occupation Tax Act. If the equipment is leased
20 in a manner that does not qualify for this exemption or is used
21 in any other non-exempt manner, the lessor shall be liable for
22 the tax imposed under this Act or the Service Use Tax Act, as
23 the case may be, based on the fair market value of the property
24 at the time the non-qualifying use occurs. No lessor shall
25 collect or attempt to collect an amount (however designated)
26 that purports to reimburse that lessor for the tax imposed by

1 this Act or the Service Use Tax Act, as the case may be, if the
2 tax has not been paid by the lessor. If a lessor improperly
3 collects any such amount from the lessee, the lessee shall
4 have a legal right to claim a refund of that amount from the
5 lessor. If, however, that amount is not refunded to the lessee
6 for any reason, the lessor is liable to pay that amount to the
7 Department.

8 (23) Personal property purchased by a lessor who leases
9 the property, under a lease of one year or longer executed or
10 in effect at the time the lessor would otherwise be subject to
11 the tax imposed by this Act, to a governmental body that has
12 been issued an active sales tax exemption identification
13 number by the Department under Section 1g of the Retailers'
14 Occupation Tax Act. If the property is leased in a manner that
15 does not qualify for this exemption or used in any other
16 non-exempt manner, the lessor shall be liable for the tax
17 imposed under this Act or the Service Use Tax Act, as the case
18 may be, based on the fair market value of the property at the
19 time the non-qualifying use occurs. No lessor shall collect or
20 attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department.

3 (24) Beginning with taxable years ending on or after
4 December 31, 1995 and ending with taxable years ending on or
5 before December 31, 2004, personal property that is donated
6 for disaster relief to be used in a State or federally declared
7 disaster area in Illinois or bordering Illinois by a
8 manufacturer or retailer that is registered in this State to a
9 corporation, society, association, foundation, or institution
10 that has been issued a sales tax exemption identification
11 number by the Department that assists victims of the disaster
12 who reside within the declared disaster area.

13 (25) Beginning with taxable years ending on or after
14 December 31, 1995 and ending with taxable years ending on or
15 before December 31, 2004, personal property that is used in
16 the performance of infrastructure repairs in this State,
17 including, but not limited to, municipal roads and streets,
18 access roads, bridges, sidewalks, waste disposal systems,
19 water and sewer line extensions, water distribution and
20 purification facilities, storm water drainage and retention
21 facilities, and sewage treatment facilities, resulting from a
22 State or federally declared disaster in Illinois or bordering
23 Illinois when such repairs are initiated on facilities located
24 in the declared disaster area within 6 months after the
25 disaster.

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is
2 used in the Wildlife Code. This paragraph is exempt from the
3 provisions of Section 3-90.

4 (27) A motor vehicle, as that term is defined in Section
5 1-146 of the Illinois Vehicle Code, that is donated to a
6 corporation, limited liability company, society, association,
7 foundation, or institution that is determined by the
8 Department to be organized and operated exclusively for
9 educational purposes. For purposes of this exemption, "a
10 corporation, limited liability company, society, association,
11 foundation, or institution organized and operated exclusively
12 for educational purposes" means all tax-supported public
13 schools, private schools that offer systematic instruction in
14 useful branches of learning by methods common to public
15 schools and that compare favorably in their scope and
16 intensity with the course of study presented in tax-supported
17 schools, and vocational or technical schools or institutes
18 organized and operated exclusively to provide a course of
19 study of not less than 6 weeks duration and designed to prepare
20 individuals to follow a trade or to pursue a manual,
21 technical, mechanical, industrial, business, or commercial
22 occupation.

23 (28) Beginning January 1, 2000, personal property,
24 including food, purchased through fundraising events for the
25 benefit of a public or private elementary or secondary school,
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school
2 district that consists primarily of volunteers and includes
3 parents and teachers of the school children. This paragraph
4 does not apply to fundraising events (i) for the benefit of
5 private home instruction or (ii) for which the fundraising
6 entity purchases the personal property sold at the events from
7 another individual or entity that sold the property for the
8 purpose of resale by the fundraising entity and that profits
9 from the sale to the fundraising entity. This paragraph is
10 exempt from the provisions of Section 3-90.

11 (29) Beginning January 1, 2000 and through December 31,
12 2001, new or used automatic vending machines that prepare and
13 serve hot food and beverages, including coffee, soup, and
14 other items, and replacement parts for these machines.
15 Beginning January 1, 2002 and through June 30, 2003, machines
16 and parts for machines used in commercial, coin-operated
17 amusement and vending business if a use or occupation tax is
18 paid on the gross receipts derived from the use of the
19 commercial, coin-operated amusement and vending machines. This
20 paragraph is exempt from the provisions of Section 3-90.

21 (30) Beginning January 1, 2001 and through June 30, 2016,
22 food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages,
24 soft drinks, and food that has been prepared for immediate
25 consumption) and prescription and nonprescription medicines,
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human
2 use, when purchased for use by a person receiving medical
3 assistance under Article V of the Illinois Public Aid Code who
4 resides in a licensed long-term care facility, as defined in
5 the Nursing Home Care Act, or in a licensed facility as defined
6 in the ID/DD Community Care Act, the MC/DD Act, or the
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (31) Beginning on August 2, 2001 (the effective date of
9 Public Act 92-227), computers and communications equipment
10 utilized for any hospital purpose and equipment used in the
11 diagnosis, analysis, or treatment of hospital patients
12 purchased by a lessor who leases the equipment, under a lease
13 of one year or longer executed or in effect at the time the
14 lessor would otherwise be subject to the tax imposed by this
15 Act, to a hospital that has been issued an active tax exemption
16 identification number by the Department under Section 1g of
17 the Retailers' Occupation Tax Act. If the equipment is leased
18 in a manner that does not qualify for this exemption or is used
19 in any other nonexempt manner, the lessor shall be liable for
20 the tax imposed under this Act or the Service Use Tax Act, as
21 the case may be, based on the fair market value of the property
22 at the time the nonqualifying use occurs. No lessor shall
23 collect or attempt to collect an amount (however designated)
24 that purports to reimburse that lessor for the tax imposed by
25 this Act or the Service Use Tax Act, as the case may be, if the
26 tax has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall
2 have a legal right to claim a refund of that amount from the
3 lessor. If, however, that amount is not refunded to the lessee
4 for any reason, the lessor is liable to pay that amount to the
5 Department. This paragraph is exempt from the provisions of
6 Section 3-90.

7 (32) Beginning on August 2, 2001 (the effective date of
8 Public Act 92-227), personal property purchased by a lessor
9 who leases the property, under a lease of one year or longer
10 executed or in effect at the time the lessor would otherwise be
11 subject to the tax imposed by this Act, to a governmental body
12 that has been issued an active sales tax exemption
13 identification number by the Department under Section 1g of
14 the Retailers' Occupation Tax Act. If the property is leased
15 in a manner that does not qualify for this exemption or used in
16 any other nonexempt manner, the lessor shall be liable for the
17 tax imposed under this Act or the Service Use Tax Act, as the
18 case may be, based on the fair market value of the property at
19 the time the nonqualifying use occurs. No lessor shall collect
20 or attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department. This paragraph is exempt from the provisions of
3 Section 3-90.

4 (33) On and after July 1, 2003 and through June 30, 2004,
5 the use in this State of motor vehicles of the second division
6 with a gross vehicle weight in excess of 8,000 pounds and that
7 are subject to the commercial distribution fee imposed under
8 Section 3-815.1 of the Illinois Vehicle Code. Beginning on
9 July 1, 2004 and through June 30, 2005, the use in this State
10 of motor vehicles of the second division: (i) with a gross
11 vehicle weight rating in excess of 8,000 pounds; (ii) that are
12 subject to the commercial distribution fee imposed under
13 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that
14 are primarily used for commercial purposes. Through June 30,
15 2005, this exemption applies to repair and replacement parts
16 added after the initial purchase of such a motor vehicle if
17 that motor vehicle is used in a manner that would qualify for
18 the rolling stock exemption otherwise provided for in this
19 Act. For purposes of this paragraph, the term "used for
20 commercial purposes" means the transportation of persons or
21 property in furtherance of any commercial or industrial
22 enterprise, whether for-hire or not.

23 (34) Beginning January 1, 2008, tangible personal property
24 used in the construction or maintenance of a community water
25 supply, as defined under Section 3.145 of the Environmental
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-90.

4 (35) Beginning January 1, 2010 and continuing through
5 December 31, 2029, materials, parts, equipment, components,
6 and furnishings incorporated into or upon an aircraft as part
7 of the modification, refurbishment, completion, replacement,
8 repair, or maintenance of the aircraft. This exemption
9 includes consumable supplies used in the modification,
10 refurbishment, completion, replacement, repair, and
11 maintenance of aircraft. However, until January 1, 2024, this
12 exemption excludes any materials, parts, equipment,
13 components, and consumable supplies used in the modification,
14 replacement, repair, and maintenance of aircraft engines or
15 power plants, whether such engines or power plants are
16 installed or uninstalled upon any such aircraft. "Consumable
17 supplies" include, but are not limited to, adhesive, tape,
18 sandpaper, general purpose lubricants, cleaning solution,
19 latex gloves, and protective films.

20 Beginning January 1, 2010 and continuing through December
21 31, 2023, this exemption applies only to the use of qualifying
22 tangible personal property by persons who modify, refurbish,
23 complete, repair, replace, or maintain aircraft and who (i)
24 hold an Air Agency Certificate and are empowered to operate an
25 approved repair station by the Federal Aviation
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation
2 Regulations. From January 1, 2024 through December 31, 2029,
3 this exemption applies only to the use of qualifying tangible
4 personal property by: (A) persons who modify, refurbish,
5 complete, repair, replace, or maintain aircraft and who (i)
6 hold an Air Agency Certificate and are empowered to operate an
7 approved repair station by the Federal Aviation
8 Administration, (ii) have a Class IV Rating, and (iii) conduct
9 operations in accordance with Part 145 of the Federal Aviation
10 Regulations; and (B) persons who engage in the modification,
11 replacement, repair, and maintenance of aircraft engines or
12 power plants without regard to whether or not those persons
13 meet the qualifications of item (A).

14 The exemption does not include aircraft operated by a
15 commercial air carrier providing scheduled passenger air
16 service pursuant to authority issued under Part 121 or Part
17 129 of the Federal Aviation Regulations. The changes made to
18 this paragraph (35) by Public Act 98-534 are declarative of
19 existing law. It is the intent of the General Assembly that the
20 exemption under this paragraph (35) applies continuously from
21 January 1, 2010 through December 31, 2024; however, no claim
22 for credit or refund is allowed for taxes paid as a result of
23 the disallowance of this exemption on or after January 1, 2015
24 and prior to February 5, 2020 (the effective date of Public Act
25 101-629).

26 (36) Tangible personal property purchased by a

1 public-facilities corporation, as described in Section
2 11-65-10 of the Illinois Municipal Code, for purposes of
3 constructing or furnishing a municipal convention hall, but
4 only if the legal title to the municipal convention hall is
5 transferred to the municipality without any further
6 consideration by or on behalf of the municipality at the time
7 of the completion of the municipal convention hall or upon the
8 retirement or redemption of any bonds or other debt
9 instruments issued by the public-facilities corporation in
10 connection with the development of the municipal convention
11 hall. This exemption includes existing public-facilities
12 corporations as provided in Section 11-65-25 of the Illinois
13 Municipal Code. This paragraph is exempt from the provisions
14 of Section 3-90.

15 (37) Beginning January 1, 2017 and through December 31,
16 2026, menstrual pads, tampons, and menstrual cups.

17 (38) Merchandise that is subject to the Rental Purchase
18 Agreement Occupation and Use Tax. The purchaser must certify
19 that the item is purchased to be rented subject to a
20 rental-purchase ~~rental-purchase~~ agreement, as defined in the
21 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide
22 proof of registration under the Rental Purchase Agreement
23 Occupation and Use Tax Act. This paragraph is exempt from the
24 provisions of Section 3-90.

25 (39) Tangible personal property purchased by a purchaser
26 who is exempt from the tax imposed by this Act by operation of

1 federal law. This paragraph is exempt from the provisions of
2 Section 3-90.

3 (40) Qualified tangible personal property used in the
4 construction or operation of a data center that has been
5 granted a certificate of exemption by the Department of
6 Commerce and Economic Opportunity, whether that tangible
7 personal property is purchased by the owner, operator, or
8 tenant of the data center or by a contractor or subcontractor
9 of the owner, operator, or tenant. Data centers that would
10 have qualified for a certificate of exemption prior to January
11 1, 2020 had Public Act 101-31 been in effect may apply for and
12 obtain an exemption for subsequent purchases of computer
13 equipment or enabling software purchased or leased to upgrade,
14 supplement, or replace computer equipment or enabling software
15 purchased or leased in the original investment that would have
16 qualified.

17 The Department of Commerce and Economic Opportunity shall
18 grant a certificate of exemption under this item (40) to
19 qualified data centers as defined by Section 605-1025 of the
20 Department of Commerce and Economic Opportunity Law of the
21 Civil Administrative Code of Illinois.

22 For the purposes of this item (40):

23 "Data center" means a building or a series of
24 buildings rehabilitated or constructed to house working
25 servers in one physical location or multiple sites within
26 the State of Illinois.

1 "Qualified tangible personal property" means:
2 electrical systems and equipment; climate control and
3 chilling equipment and systems; mechanical systems and
4 equipment; monitoring and secure systems; emergency
5 generators; hardware; computers; servers; data storage
6 devices; network connectivity equipment; racks; cabinets;
7 telecommunications cabling infrastructure; raised floor
8 systems; peripheral components or systems; software;
9 mechanical, electrical, or plumbing systems; battery
10 systems; cooling systems and towers; temperature control
11 systems; other cabling; and other data center
12 infrastructure equipment and systems necessary to operate
13 qualified tangible personal property, including fixtures;
14 and component parts of any of the foregoing, including
15 installation, maintenance, repair, refurbishment, and
16 replacement of qualified tangible personal property to
17 generate, transform, transmit, distribute, or manage
18 electricity necessary to operate qualified tangible
19 personal property; and all other tangible personal
20 property that is essential to the operations of a computer
21 data center. The term "qualified tangible personal
22 property" also includes building materials physically
23 incorporated into ~~in to~~ the qualifying data center. To
24 document the exemption allowed under this Section, the
25 retailer must obtain from the purchaser a copy of the
26 certificate of eligibility issued by the Department of

1 Commerce and Economic Opportunity.

2 This item (40) is exempt from the provisions of Section
3 3-90.

4 (41) Beginning July 1, 2022, breast pumps, breast pump
5 collection and storage supplies, and breast pump kits. This
6 item (41) is exempt from the provisions of Section 3-90. As
7 used in this item (41):

8 "Breast pump" means an electrically controlled or
9 manually controlled pump device designed or marketed to be
10 used to express milk from a human breast during lactation,
11 including the pump device and any battery, AC adapter, or
12 other power supply unit that is used to power the pump
13 device and is packaged and sold with the pump device at the
14 time of sale.

15 "Breast pump collection and storage supplies" means
16 items of tangible personal property designed or marketed
17 to be used in conjunction with a breast pump to collect
18 milk expressed from a human breast and to store collected
19 milk until it is ready for consumption.

20 "Breast pump collection and storage supplies"
21 includes, but is not limited to: breast shields and breast
22 shield connectors; breast pump tubes and tubing adapters;
23 breast pump valves and membranes; backflow protectors and
24 backflow protector adaptors; bottles and bottle caps
25 specific to the operation of the breast pump; and breast
26 milk storage bags.

1 "Breast pump collection and storage supplies" does not
2 include: (1) bottles and bottle caps not specific to the
3 operation of the breast pump; (2) breast pump travel bags
4 and other similar carrying accessories, including ice
5 packs, labels, and other similar products; (3) breast pump
6 cleaning supplies; (4) nursing bras, bra pads, breast
7 shells, and other similar products; and (5) creams,
8 ointments, and other similar products that relieve
9 breastfeeding-related symptoms or conditions of the
10 breasts or nipples, unless sold as part of a breast pump
11 kit that is pre-packaged by the breast pump manufacturer
12 or distributor.

13 "Breast pump kit" means a kit that: (1) contains no
14 more than a breast pump, breast pump collection and
15 storage supplies, a rechargeable battery for operating the
16 breast pump, a breastmilk cooler, bottle stands, ice
17 packs, and a breast pump carrying case; and (2) is
18 pre-packaged as a breast pump kit by the breast pump
19 manufacturer or distributor.

20 (42) Tangible personal property sold by or on behalf of
21 the State Treasurer pursuant to the Revised Uniform Unclaimed
22 Property Act. This item (42) is exempt from the provisions of
23 Section 3-90.

24 (43) Beginning on January 1, 2024, tangible personal
25 property purchased by an active duty member of the armed
26 forces of the United States who presents valid military

1 identification and purchases the property using a form of
2 payment where the federal government is the payor. The member
3 of the armed forces must complete, at the point of sale, a form
4 prescribed by the Department of Revenue documenting that the
5 transaction is eligible for the exemption under this
6 paragraph. Retailers must keep the form as documentation of
7 the exemption in their records for a period of not less than 6
8 years. "Armed forces of the United States" means the United
9 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
10 This paragraph is exempt from the provisions of Section 3-90.

11 (44) Beginning on July 1, 2024, food for human consumption
12 that is to be consumed off the premises where it is sold (other
13 than alcoholic beverages, food consisting of or infused with
14 adult use cannabis, soft drinks, and food that has been
15 prepared for immediate consumption). This item (44) is exempt
16 from the provisions of Section 3-90.

17 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
18 Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,
19 eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
20 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,
21 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
22 revised 12-12-23.)

23 (35 ILCS 105/3-10)

24 Sec. 3-10. Rate of tax. Unless otherwise provided in this
25 Section, the tax imposed by this Act is at the rate of 6.25% of

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

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

24 Beginning on August 6, 2010 through August 15, 2010, and
25 beginning again on August 5, 2022 through August 14, 2022,
26 with respect to sales tax holiday items as defined in Section

1 3-6 of this Act, the tax is imposed at the rate of 1.25%.

2 With respect to gasohol, the tax imposed by this Act
3 applies to (i) 70% of the proceeds of sales made on or after
4 January 1, 1990, and before July 1, 2003, (ii) 80% of the
5 proceeds of sales made on or after July 1, 2003 and on or
6 before July 1, 2017, (iii) 100% of the proceeds of sales made
7 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
8 the proceeds of sales made on or after January 1, 2024 and on
9 or before December 31, 2028, and (v) 100% of the proceeds of
10 sales made after December 31, 2028. If, at any time, however,
11 the tax under this Act on sales of gasohol is imposed at the
12 rate of 1.25%, then the tax imposed by this Act applies to 100%
13 of the proceeds of sales of gasohol made during that time.

14 With respect to mid-range ethanol blends, the tax imposed
15 by this Act applies to (i) 80% of the proceeds of sales made on
16 or after January 1, 2024 and on or before December 31, 2028 and
17 (ii) 100% of the proceeds of sales made thereafter. If, at any
18 time, however, the tax under this Act on sales of mid-range
19 ethanol blends is imposed at the rate of 1.25%, then the tax
20 imposed by this Act applies to 100% of the proceeds of sales of
21 mid-range ethanol blends made during that time.

22 With respect to majority blended ethanol fuel, the tax
23 imposed by this Act does not apply to the proceeds of sales
24 made on or after July 1, 2003 and on or before December 31,
25 2028 but applies to 100% of the proceeds of sales made
26 thereafter.

1 With respect to biodiesel blends with no less than 1% and
2 no more than 10% biodiesel, the tax imposed by this Act applies
3 to (i) 80% of the proceeds of sales made on or after July 1,
4 2003 and on or before December 31, 2018 and (ii) 100% of the
5 proceeds of sales made after December 31, 2018 and before
6 January 1, 2024. On and after January 1, 2024 and on or before
7 December 31, 2030, the taxation of biodiesel, renewable
8 diesel, and biodiesel blends shall be as provided in Section
9 3-5.1. If, at any time, however, the tax under this Act on
10 sales of biodiesel blends with no less than 1% and no more than
11 10% biodiesel is imposed at the rate of 1.25%, then the tax
12 imposed by this Act applies to 100% of the proceeds of sales of
13 biodiesel blends with no less than 1% and no more than 10%
14 biodiesel made during that time.

15 With respect to biodiesel and biodiesel blends with more
16 than 10% but no more than 99% biodiesel, the tax imposed by
17 this Act does not apply to the proceeds of sales made on or
18 after July 1, 2003 and on or before December 31, 2023. On and
19 after January 1, 2024 and on or before December 31, 2030, the
20 taxation of biodiesel, renewable diesel, and biodiesel blends
21 shall be as provided in Section 3-5.1.

22 Until July 1, 2022 and from beginning again on July 1, 2023
23 through June 30, 2024, with respect to food for human
24 consumption that is to be consumed off the premises where it is
25 sold (other than alcoholic beverages, food consisting of or
26 infused with adult use cannabis, soft drinks, and food that

1 has been prepared for immediate consumption), the tax is
2 imposed at the rate of 1%. ~~From Beginning on~~ July 1, 2022
3 through June 30, 2023, and on and after July 1, 2024, and until
4 ~~July 1, 2023, with respect to~~ food for human consumption that
5 is to be 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) is exempt from the tax imposed under
9 this Act , ~~the tax is imposed at the rate of 0%.~~

10 With respect to prescription and nonprescription
11 medicines, drugs, medical appliances, products classified as
12 Class III medical devices by the United States Food and Drug
13 Administration that are used for cancer treatment pursuant to
14 a prescription, as well as any accessories and components
15 related to those devices, modifications to a motor vehicle for
16 the purpose of rendering it usable by a person with a
17 disability, and insulin, blood sugar testing materials,
18 syringes, and needles used by human diabetics, the tax is
19 imposed at the rate of 1%. For the purposes of this Section,
20 until September 1, 2009: the term "soft drinks" means any
21 complete, finished, ready-to-use, non-alcoholic drink, whether
22 carbonated or not, including, but not limited to, soda water,
23 cola, fruit juice, vegetable juice, carbonated water, and all
24 other preparations commonly known as soft drinks of whatever
25 kind or description that are contained in any closed or sealed
26 bottle, can, carton, or container, regardless of size; but

1 "soft drinks" does not include coffee, tea, non-carbonated
2 water, infant formula, milk or milk products as defined in the
3 Grade A Pasteurized Milk and Milk Products Act, or drinks
4 containing 50% or more natural fruit or vegetable juice.

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

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

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "food for human consumption that
25 is to be consumed off the premises where it is sold" does not
26 include candy. For purposes of this Section, "candy" means a

1 preparation of sugar, honey, or other natural or artificial
2 sweeteners in combination with chocolate, fruits, nuts or
3 other ingredients or flavorings in the form of bars, drops, or
4 pieces. "Candy" does not include any preparation that contains
5 flour or requires refrigeration.

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

19 (A) a "Drug Facts" panel; or

20 (B) a statement of the "active ingredient(s)" with a
21 list of those ingredients contained in the compound,
22 substance or preparation.

23 Beginning on January 1, 2014 (the effective date of Public
24 Act 98-122), "prescription and nonprescription medicines and
25 drugs" includes medical cannabis purchased from a registered
26 dispensing organization under the Compassionate Use of Medical

1 Cannabis Program Act.

2 As used in this Section, "adult use cannabis" means
3 cannabis subject to tax under the Cannabis Cultivation
4 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
5 and does not include cannabis subject to tax under the
6 Compassionate Use of Medical Cannabis Program Act.

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

14 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,
15 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section
16 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.
17 4-19-22; 103-9, eff. 6-7-23; 103-154 eff. 6-30-23.)

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

19 Sec. 3a. The tax imposed by the Act shall when collected be
20 stated as a distinct item separate and apart from the selling
21 price of the tangible personal property. However, where it is
22 not possible to state the sales tax separately in situations
23 such as sales from vending machines or sales of liquor by the
24 drink the Department may by rule exempt such sales from this
25 requirement so long as purchasers are notified by a sign that

1 the tax is included in the selling price.

2 ~~In addition, retailers who sell items that would have been~~
3 ~~taxed at the 1% rate but for the 0% rate imposed under this~~
4 ~~amendatory Act of the 102nd General Assembly shall, to the~~
5 ~~extent feasible, include the following statement on any cash~~
6 ~~register tape, receipt, invoice, or sales ticket issued to~~
7 ~~customers: "From July 1, 2022 through July 1, 2023, the State~~
8 ~~of Illinois sales tax on groceries is 0%.". If it is not~~
9 ~~feasible for the retailer to include the statement on any cash~~
10 ~~register tape, receipt, invoice, or sales ticket issued to~~
11 ~~customers, then the retailer shall post the statement on a~~
12 ~~sign that is clearly visible to customers. The sign shall be no~~
13 ~~smaller than 4 inches by 8 inches.~~

14 (Source: P.A. 102-700, eff. 4-19-22.)

15 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

16 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
17 and trailers that are required to be registered with an agency
18 of this State, each retailer required or authorized to collect
19 the tax imposed by this Act shall pay to the Department the
20 amount of such tax (except as otherwise provided) at the time
21 when he is required to file his return for the period during
22 which such tax was collected, less a discount of 2.1% prior to
23 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
24 per calendar year, whichever is greater, which is allowed to
25 reimburse the retailer for expenses incurred in collecting the

1 tax, keeping records, preparing and filing returns, remitting
2 the tax and supplying data to the Department on request. When
3 determining the discount allowed under this Section, retailers
4 shall include the amount of tax that would have been due at the
5 6.25% rate but for the 1.25% rate imposed on sales tax holiday
6 items under Public Act 102-700. The discount under this
7 Section is not allowed for the 1.25% portion of taxes paid on
8 aviation fuel that is subject to the revenue use requirements
9 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. When determining
10 the discount allowed under this Section, retailers shall
11 include the amount of tax that would have been due at the 1%
12 rate but for the 0% rate imposed under Public Act 102-700. In
13 the case of retailers who report and pay the tax on a
14 transaction by transaction basis, as provided in this Section,
15 such discount shall be taken with each such tax remittance
16 instead of when such retailer files his periodic return. The
17 discount allowed under this Section is allowed only for
18 returns that are filed in the manner required by this Act. The
19 Department may disallow the discount for retailers whose
20 certificate of registration is revoked at the time the return
21 is filed, but only if the Department's decision to revoke the
22 certificate of registration has become final. A retailer need
23 not remit that part of any tax collected by him to the extent
24 that he is required to remit and does remit the tax imposed by
25 the Retailers' Occupation Tax Act, with respect to the sale of
26 the same property.

1 Where such tangible personal property is sold under a
2 conditional sales contract, or under any other form of sale
3 wherein the payment of the principal sum, or a part thereof, is
4 extended beyond the close of the period for which the return is
5 filed, the retailer, in collecting the tax (except as to motor
6 vehicles, watercraft, aircraft, and trailers that are required
7 to be registered with an agency of this State), 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 Except as provided in this Section, on or before the
12 twentieth day of each calendar month, such retailer shall file
13 a return for the preceding calendar month. Such return shall
14 be filed on forms prescribed by the Department and shall
15 furnish such information as the Department may reasonably
16 require. The return shall include the gross receipts on food
17 for human consumption that is to be consumed off the premises
18 where it is sold (other than alcoholic beverages, food
19 consisting of or infused with adult use cannabis, soft drinks,
20 and food that has been prepared for immediate consumption)
21 which were received during the preceding calendar month,
22 quarter, or year, as appropriate, and upon which tax would
23 have been due but for the 0% rate imposed under Public Act
24 102-700. The return shall also include the amount of tax that
25 would have been due on 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) but for the 0% rate imposed under
4 Public Act 102-700.

5 On and after January 1, 2018, except for returns required
6 to be filed prior to January 1, 2023 for motor vehicles,
7 watercraft, aircraft, and trailers that are required to be
8 registered with an agency of this State, with respect to
9 retailers whose annual gross receipts average \$20,000 or more,
10 all returns required to be filed pursuant to this Act shall be
11 filed electronically. On and after January 1, 2023, with
12 respect to retailers whose annual gross receipts average
13 \$20,000 or more, all returns required to be filed pursuant to
14 this Act, including, but not limited to, returns for motor
15 vehicles, watercraft, aircraft, and trailers that are required
16 to be registered with an agency of this State, shall be filed
17 electronically. Retailers who demonstrate that they do not
18 have access to the Internet or demonstrate hardship in filing
19 electronically may petition the Department to waive the
20 electronic filing requirement.

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

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

2 1. The name of the seller;

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

6 3. The total amount of taxable receipts received by
7 him during the preceding calendar month from sales of
8 tangible personal property by him during such preceding
9 calendar month, including receipts from charge and time
10 sales, but less all 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 retailer required or authorized to collect the tax
18 imposed by this Act on aviation fuel sold at retail in this
19 State during the preceding calendar month shall, instead of
20 reporting and paying tax on aviation fuel as otherwise
21 required by this Section, report and pay such tax on a separate
22 aviation fuel tax return. The requirements related to the
23 return shall be as otherwise provided in this Section.
24 Notwithstanding any other provisions of this Act to the
25 contrary, retailers collecting tax on aviation fuel shall file
26 all aviation fuel tax returns and shall make all aviation fuel

1 tax payments by electronic means in the manner and form
2 required by the Department. For purposes of this Section,
3 "aviation fuel" means jet fuel and aviation gasoline.

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

8 Notwithstanding any other provision of this Act to the
9 contrary, retailers subject to tax on cannabis shall file all
10 cannabis tax returns and shall make all cannabis tax payments
11 by electronic means in the manner and form required by the
12 Department.

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

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

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

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

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

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

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

1 in such 4 quarter period). If the month during which such tax
2 liability is incurred begins on or after January 1, 1985, and
3 prior to January 1, 1987, each payment shall be in an amount
4 equal to 22.5% of the taxpayer's actual liability for the
5 month or 27.5% of the taxpayer's liability for the same
6 calendar month of the preceding year. If the month during
7 which such tax liability is incurred begins on or after
8 January 1, 1987, and prior to January 1, 1988, each payment
9 shall be in an amount equal to 22.5% of the taxpayer's actual
10 liability for the month or 26.25% of the taxpayer's liability
11 for the same calendar month of the preceding year. If the month
12 during which such tax liability is incurred begins on or after
13 January 1, 1988, and prior to January 1, 1989, or begins on or
14 after January 1, 1996, each payment shall be in an amount equal
15 to 22.5% of the taxpayer's actual liability for the month or
16 25% of the taxpayer's liability for the same calendar month of
17 the preceding year. If the month during which such tax
18 liability is incurred begins on or after January 1, 1989, and
19 prior to January 1, 1996, each payment shall be in an amount
20 equal to 22.5% of the taxpayer's actual liability for the
21 month or 25% of the taxpayer's liability for the same calendar
22 month of the preceding year or 100% of the taxpayer's actual
23 liability for the quarter monthly reporting period. The amount
24 of such quarter monthly payments shall be credited against the
25 final tax liability of the taxpayer's return for that month.
26 Before October 1, 2000, once applicable, the requirement of

1 the making of quarter monthly payments to the Department shall
2 continue until such taxpayer's average monthly liability to
3 the Department during the preceding 4 complete calendar
4 quarters (excluding the month of highest liability and the
5 month of lowest liability) is less than \$9,000, or until such
6 taxpayer's average monthly liability to the Department as
7 computed for each calendar quarter of the 4 preceding complete
8 calendar quarter period is less than \$10,000. However, if a
9 taxpayer can show the Department that a substantial change in
10 the taxpayer's business has occurred which causes the taxpayer
11 to anticipate that his average monthly tax liability for the
12 reasonably foreseeable future will fall below the \$10,000
13 threshold stated above, then such taxpayer may petition the
14 Department for change in such taxpayer's reporting status. On
15 and after October 1, 2000, once applicable, the requirement of
16 the making of quarter monthly payments to the Department shall
17 continue until such taxpayer's average monthly liability to
18 the Department during the preceding 4 complete calendar
19 quarters (excluding the month of highest liability and the
20 month of lowest liability) is less than \$19,000 or until such
21 taxpayer's average monthly liability to the Department as
22 computed for each calendar quarter of the 4 preceding complete
23 calendar quarter period is less than \$20,000. However, if a
24 taxpayer can show the Department that a substantial change in
25 the taxpayer's business has occurred which causes the taxpayer
26 to anticipate that his average monthly tax liability for the

1 reasonably foreseeable future will fall below the \$20,000
2 threshold stated above, then such taxpayer may petition the
3 Department for a change in such taxpayer's reporting status.
4 The Department shall change such taxpayer's reporting status
5 unless it finds that such change is seasonal in nature and not
6 likely to be long term. Quarter monthly payment status shall
7 be determined under this paragraph as if the rate reduction to
8 1.25% in Public Act 102-700 on sales tax holiday items had not
9 occurred. For quarter monthly payments due on or after July 1,
10 2023 and through June 30, 2024, "25% of the taxpayer's
11 liability for the same calendar month of the preceding year"
12 shall be determined as if the rate reduction to 1.25% in Public
13 Act 102-700 on sales tax holiday items had not occurred.
14 Quarter monthly payment status shall be determined under this
15 paragraph as if the rate reduction to 0% in Public Act 102-700
16 on food for human consumption that is to be consumed off the
17 premises where it is sold (other than alcoholic beverages,
18 food consisting of or infused with adult use cannabis, soft
19 drinks, and food that has been prepared for immediate
20 consumption) had not occurred. For quarter monthly payments
21 due under this paragraph on or after July 1, 2023 and through
22 June 30, 2024, "25% of the taxpayer's liability for the same
23 calendar month of the preceding year" shall be determined as
24 if the rate reduction to 0% in Public Act 102-700 had not
25 occurred. If any such quarter monthly payment is not paid at
26 the time or in the amount required by this Section, then the

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

11 If any such payment provided for in this Section exceeds
12 the taxpayer's liabilities under this Act, the Retailers'
13 Occupation Tax Act, the Service Occupation Tax Act and the
14 Service Use Tax Act, as shown by an original monthly return,
15 the Department shall issue to the taxpayer a credit memorandum
16 no later than 30 days after the date of payment, which
17 memorandum may be submitted by the taxpayer to the Department
18 in payment of tax liability subsequently to be remitted by the
19 taxpayer to the Department or be assigned by the taxpayer to a
20 similar taxpayer under this Act, the Retailers' Occupation Tax
21 Act, the Service Occupation Tax Act or the Service Use Tax Act,
22 in accordance with reasonable rules and regulations to be
23 prescribed by the Department, except that if such excess
24 payment is shown on an original monthly return and is made
25 after December 31, 1986, no credit memorandum shall be issued,
26 unless requested by the taxpayer. If no such request is made,

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

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

23 If the retailer is otherwise required to file a monthly or
24 quarterly return and if the retailer's average monthly tax
25 liability to the Department does not exceed \$50, the
26 Department may authorize his returns to be filed on an annual

1 basis, with the return for a given year being due by January 20
2 of the following year.

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

6 Notwithstanding any other provision in this Act concerning
7 the time within which a retailer may file his return, in the
8 case of any retailer who ceases to engage in a kind of business
9 which makes him responsible for filing returns under this Act,
10 such retailer shall file a final return under this Act with the
11 Department not more than one month after discontinuing such
12 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 trailer to another aircraft, watercraft, motor vehicle or
24 trailer retailer for the purpose of resale or (ii) a retailer
25 of aircraft, watercraft, motor vehicles, or trailers transfers
26 more than one aircraft, watercraft, motor vehicle, or trailer

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

10 In addition, with respect to motor vehicles, watercraft,
11 aircraft, and trailers that are required to be registered with
12 an agency of this State, every person who is engaged in the
13 business of leasing or renting such items and who, in
14 connection with such business, sells any such item to a
15 retailer for the purpose of resale is, notwithstanding any
16 other provision of this Section to the contrary, authorized to
17 meet the return-filing requirement of this Act by reporting
18 the transfer of all the aircraft, watercraft, motor vehicles,
19 or trailers transferred for resale during a month to the
20 Department on the same uniform invoice-transaction reporting
21 return form on or before the 20th of the month following the
22 month in which the transfer takes place. Notwithstanding any
23 other provision of this Act to the contrary, all returns filed
24 under this paragraph must be filed by electronic means in the
25 manner and form as required by the Department.

26 The transaction reporting return in the case of motor

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

21 The transaction reporting return in the case of watercraft
22 and aircraft must show the name and address of the seller; the
23 name and address of the purchaser; the amount of the selling
24 price including the amount allowed by the retailer for
25 traded-in property, if any; the amount allowed by the retailer
26 for the traded-in tangible personal property, if any, to the

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

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

24 With each such transaction reporting return, the retailer
25 shall remit the proper amount of tax due (or shall submit
26 satisfactory evidence that the sale is not taxable if that is

1 the case), to the Department or its agents, whereupon the
2 Department shall issue, in the purchaser's name, a tax receipt
3 (or a certificate of exemption if the Department is satisfied
4 that the particular sale is tax exempt) which such purchaser
5 may submit to the agency with which, or State officer with
6 whom, he must title or register the tangible personal property
7 that is involved (if titling or registration is required) in
8 support of such purchaser's application for an Illinois
9 certificate or other evidence of title or registration to such
10 tangible personal property.

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

19 If the user who would otherwise pay tax to the retailer
20 wants the transaction reporting return filed and the payment
21 of tax or proof of exemption made to the Department before the
22 retailer is willing to take these actions and such user has not
23 paid the tax to the retailer, such user may certify to the fact
24 of such delay by the retailer, and may (upon the Department
25 being satisfied of the truth of such certification) transmit
26 the information required by the transaction reporting return

1 and the remittance for tax or proof of exemption directly to
2 the Department and obtain his tax receipt or exemption
3 determination, in which event the transaction reporting return
4 and tax remittance (if a tax payment was required) shall be
5 credited by the Department to the proper retailer's account
6 with the Department, but without the 2.1% or 1.75% discount
7 provided for in this Section being allowed. When the user pays
8 the tax directly to the Department, he shall pay the tax in the
9 same amount and in the same form in which it would be remitted
10 if the tax had been remitted to the Department by the retailer.

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

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

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

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

20 Beginning January 1, 1990, each month the Department shall
21 pay into the State and Local Sales Tax Reform Fund, a special
22 fund in the State Treasury which is hereby created, the net
23 revenue realized for the preceding month from the 1% tax
24 imposed under this Act.

25 Beginning August 1, 2024, each month the State Comptroller
26 shall order transferred and the State Treasurer shall transfer

1 from the General Revenue Fund to the State and Local Sales Tax
2 Reform Fund an amount equal to the net revenue that would have
3 been realized during the preceding month from sales of the
4 items described in item (44) of Section 3-5 if the tax on those
5 items had been imposed at the rate of 1%.

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 15. The Service Use Tax Act is amended by changing
3 Sections 3-5, 3-10, and 9 as follows:

4 (35 ILCS 110/3-5)

5 Sec. 3-5. Exemptions. Use of the following tangible
6 personal property is exempt from the tax imposed by this Act:

7 (1) Personal property purchased from a corporation,
8 society, association, foundation, institution, or
9 organization, other than a limited liability company, that is
10 organized and operated as a not-for-profit service enterprise
11 for the benefit of persons 65 years of age or older if the
12 personal property was not purchased by the enterprise for the
13 purpose of resale by the enterprise.

14 (2) Personal property purchased by a non-profit Illinois
15 county fair association for use in conducting, operating, or
16 promoting the county fair.

17 (3) Personal property purchased by a not-for-profit arts
18 or cultural organization that establishes, by proof required
19 by the Department by rule, that it has received an exemption
20 under Section 501(c)(3) of the Internal Revenue Code and that
21 is organized and operated primarily for the presentation or
22 support of arts or cultural programming, activities, or
23 services. These organizations include, but are not limited to,
24 music and dramatic arts organizations such as symphony

1 orchestras and theatrical groups, arts and cultural service
2 organizations, local arts councils, visual arts organizations,
3 and media arts organizations. On and after July 1, 2001 (the
4 effective date of Public Act 92-35), however, an entity
5 otherwise eligible for this exemption shall not make tax-free
6 purchases unless it has an active identification number issued
7 by the Department.

8 (4) Legal tender, currency, medallions, or gold or silver
9 coinage issued by the State of Illinois, the government of the
10 United States of America, or the government of any foreign
11 country, and bullion.

12 (5) Until July 1, 2003 and beginning again on September 1,
13 2004 through August 30, 2014, graphic arts machinery and
14 equipment, including repair and replacement parts, both new
15 and used, and including that manufactured on special order or
16 purchased for lease, certified by the purchaser to be used
17 primarily for graphic arts production. Equipment includes
18 chemicals or chemicals acting as catalysts but only if the
19 chemicals or chemicals acting as catalysts effect a direct and
20 immediate change upon a graphic arts product. Beginning on
21 July 1, 2017, graphic arts machinery and equipment is included
22 in the manufacturing and assembling machinery and equipment
23 exemption under Section 2 of this Act.

24 (6) Personal property purchased from a teacher-sponsored
25 student organization affiliated with an elementary or
26 secondary school located in Illinois.

1 (7) Farm machinery and equipment, both new and used,
2 including that manufactured on special order, certified by the
3 purchaser to be used primarily for production agriculture or
4 State or federal agricultural programs, including individual
5 replacement parts for the machinery and equipment, including
6 machinery and equipment purchased for lease, and including
7 implements of husbandry defined in Section 1-130 of the
8 Illinois Vehicle Code, farm machinery and agricultural
9 chemical and fertilizer spreaders, and nurse wagons required
10 to be registered under Section 3-809 of the Illinois Vehicle
11 Code, but excluding other motor vehicles required to be
12 registered under the Illinois Vehicle Code. Horticultural
13 polyhouses or hoop houses used for propagating, growing, or
14 overwintering plants shall be considered farm machinery and
15 equipment under this item (7). Agricultural chemical tender
16 tanks and dry boxes shall include units sold separately from a
17 motor vehicle required to be licensed and units sold mounted
18 on a motor vehicle required to be licensed if the selling price
19 of the tender is separately stated.

20 Farm machinery and equipment shall include precision
21 farming equipment that is installed or purchased to be
22 installed on farm machinery and equipment, including, but not
23 limited to, tractors, harvesters, sprayers, planters, seeders,
24 or spreaders. Precision farming equipment includes, but is not
25 limited to, soil testing sensors, computers, monitors,
26 software, global positioning and mapping systems, and other

1 such equipment.

2 Farm machinery and equipment also includes computers,
3 sensors, software, and related equipment used primarily in the
4 computer-assisted operation of production agriculture
5 facilities, equipment, and activities such as, but not limited
6 to, the collection, monitoring, and correlation of animal and
7 crop data for the purpose of formulating animal diets and
8 agricultural chemicals.

9 Beginning on January 1, 2024, farm machinery and equipment
10 also includes electrical power generation equipment used
11 primarily for production agriculture.

12 This item (7) is exempt from the provisions of Section
13 3-75.

14 (8) Until June 30, 2013, fuel and petroleum products sold
15 to or used by an air common carrier, certified by the carrier
16 to be used for consumption, shipment, or storage in the
17 conduct of its business as an air common carrier, for a flight
18 destined for or returning from a location or locations outside
19 the United States without regard to previous or subsequent
20 domestic stopovers.

21 Beginning July 1, 2013, fuel and petroleum products sold
22 to or used by an air carrier, certified by the carrier to be
23 used for consumption, shipment, or storage in the conduct of
24 its business as an air common carrier, for a flight that (i) is
25 engaged in foreign trade or is engaged in trade between the
26 United States and any of its possessions and (ii) transports

1 at least one individual or package for hire from the city of
2 origination to the city of final destination on the same
3 aircraft, without regard to a change in the flight number of
4 that aircraft.

5 (9) Proceeds of mandatory service charges separately
6 stated on customers' bills for the purchase and consumption of
7 food and beverages acquired as an incident to the purchase of a
8 service from a serviceman, to the extent that the proceeds of
9 the service charge are in fact turned over as tips or as a
10 substitute for tips to the employees who participate directly
11 in preparing, serving, hosting or cleaning up the food or
12 beverage function with respect to which the service charge is
13 imposed.

14 (10) Until July 1, 2003, oil field exploration, drilling,
15 and production equipment, including (i) rigs and parts of
16 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
17 pipe and tubular goods, including casing and drill strings,
18 (iii) pumps and pump-jack units, (iv) storage tanks and flow
19 lines, (v) any individual replacement part for oil field
20 exploration, drilling, and production equipment, and (vi)
21 machinery and equipment purchased for lease; but excluding
22 motor vehicles required to be registered under the Illinois
23 Vehicle Code.

24 (11) Proceeds from the sale of photoprocessing machinery
25 and equipment, including repair and replacement parts, both
26 new and used, including that manufactured on special order,

1 certified by the purchaser to be used primarily for
2 photoprocessing, and including photoprocessing machinery and
3 equipment purchased for lease.

4 (12) Until July 1, 2028, coal and aggregate exploration,
5 mining, off-highway hauling, processing, maintenance, and
6 reclamation equipment, including replacement parts and
7 equipment, and including equipment purchased for lease, but
8 excluding motor vehicles required to be registered under the
9 Illinois Vehicle Code. The changes made to this Section by
10 Public Act 97-767 apply on and after July 1, 2003, but no claim
11 for credit or refund is allowed on or after August 16, 2013
12 (the effective date of Public Act 98-456) for such taxes paid
13 during the period beginning July 1, 2003 and ending on August
14 16, 2013 (the effective date of Public Act 98-456).

15 (13) Semen used for artificial insemination of livestock
16 for direct agricultural production.

17 (14) Horses, or interests in horses, registered with and
18 meeting the requirements of any of the Arabian Horse Club
19 Registry of America, Appaloosa Horse Club, American Quarter
20 Horse Association, United States Trotting Association, or
21 Jockey Club, as appropriate, used for purposes of breeding or
22 racing for prizes. This item (14) is exempt from the
23 provisions of Section 3-75, and the exemption provided for
24 under this item (14) applies for all periods beginning May 30,
25 1995, but no claim for credit or refund is allowed on or after
26 January 1, 2008 (the effective date of Public Act 95-88) for

1 such taxes paid during the period beginning May 30, 2000 and
2 ending on January 1, 2008 (the effective date of Public Act
3 95-88).

4 (15) Computers and communications equipment utilized for
5 any hospital purpose and equipment used in the diagnosis,
6 analysis, or treatment of hospital patients purchased by a
7 lessor who leases the equipment, under a lease of one year or
8 longer executed or in effect at the time the lessor would
9 otherwise be subject to the tax imposed by this Act, to a
10 hospital that has been issued an active tax exemption
11 identification number by the Department under Section 1g of
12 the Retailers' Occupation Tax Act. If the equipment is leased
13 in a manner that does not qualify for this exemption or is used
14 in any other non-exempt manner, the lessor shall be liable for
15 the tax imposed under this Act or the Use Tax Act, as the case
16 may be, based on the fair market value of the property at the
17 time the non-qualifying use occurs. No lessor shall collect or
18 attempt to collect an amount (however designated) that
19 purports to reimburse that lessor for the tax imposed by this
20 Act or the Use Tax Act, as the case may be, if the tax has not
21 been paid by the lessor. If a lessor improperly collects any
22 such amount from the lessee, the lessee shall have a legal
23 right to claim a refund of that amount from the lessor. If,
24 however, that amount is not refunded to the lessee for any
25 reason, the lessor is liable to pay that amount to the
26 Department.

1 (16) Personal property purchased by a lessor who leases
2 the property, under a lease of one year or longer executed or
3 in effect at the time the lessor would otherwise be subject to
4 the tax imposed by this Act, to a governmental body that has
5 been issued an active tax exemption identification number by
6 the Department under Section 1g of the Retailers' Occupation
7 Tax Act. If the property is leased in a manner that does not
8 qualify for this exemption or is used in any other non-exempt
9 manner, the lessor shall be liable for the tax imposed under
10 this Act or the Use Tax Act, as the case may be, based on the
11 fair market value of the property at the time the
12 non-qualifying use occurs. No lessor shall collect or attempt
13 to collect an amount (however designated) that purports to
14 reimburse that lessor for the tax imposed by this Act or the
15 Use Tax Act, as the case may be, if the tax has not been paid
16 by the lessor. If a lessor improperly collects any such amount
17 from the lessee, the lessee shall have a legal right to claim a
18 refund of that amount from the lessor. If, however, that
19 amount is not refunded to the lessee for any reason, the lessor
20 is liable to pay that amount to the Department.

21 (17) 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 donated
24 for disaster relief to be used in a State or federally declared
25 disaster area in Illinois or bordering Illinois by a
26 manufacturer or retailer that is registered in this State to a

1 corporation, society, association, foundation, or institution
2 that has been issued a sales tax exemption identification
3 number by the Department that assists victims of the disaster
4 who reside within the declared disaster area.

5 (18) Beginning with taxable years ending on or after
6 December 31, 1995 and ending with taxable years ending on or
7 before December 31, 2004, personal property that is used in
8 the performance of infrastructure repairs in this State,
9 including, but not limited to, municipal roads and streets,
10 access roads, bridges, sidewalks, waste disposal systems,
11 water and sewer line extensions, water distribution and
12 purification facilities, storm water drainage and retention
13 facilities, and sewage treatment facilities, resulting from a
14 State or federally declared disaster in Illinois or bordering
15 Illinois when such repairs are initiated on facilities located
16 in the declared disaster area within 6 months after the
17 disaster.

18 (19) Beginning July 1, 1999, game or game birds purchased
19 at a "game breeding and hunting preserve area" as that term is
20 used in the Wildlife Code. This paragraph is exempt from the
21 provisions of Section 3-75.

22 (20) A motor vehicle, as that term is defined in Section
23 1-146 of the Illinois Vehicle Code, that is donated to a
24 corporation, limited liability company, society, association,
25 foundation, or institution that is determined by the
26 Department to be organized and operated exclusively for

1 educational purposes. For purposes of this exemption, "a
2 corporation, limited liability company, society, association,
3 foundation, or institution organized and operated exclusively
4 for educational purposes" means all tax-supported public
5 schools, private schools that offer systematic instruction in
6 useful branches of learning by methods common to public
7 schools and that compare favorably in their scope and
8 intensity with the course of study presented in tax-supported
9 schools, and vocational or technical schools or institutes
10 organized and operated exclusively to provide a course of
11 study of not less than 6 weeks duration and designed to prepare
12 individuals to follow a trade or to pursue a manual,
13 technical, mechanical, industrial, business, or commercial
14 occupation.

15 (21) Beginning January 1, 2000, personal property,
16 including food, purchased through fundraising events for the
17 benefit of a public or private elementary or secondary school,
18 a group of those schools, or one or more school districts if
19 the events are sponsored by an entity recognized by the school
20 district that consists primarily of volunteers and includes
21 parents and teachers of the school children. This paragraph
22 does not apply to fundraising events (i) for the benefit of
23 private home instruction or (ii) for which the fundraising
24 entity purchases the personal property sold at the events from
25 another individual or entity that sold the property for the
26 purpose of resale by the fundraising entity and that profits

1 from the sale to the fundraising entity. This paragraph is
2 exempt from the provisions of Section 3-75.

3 (22) Beginning January 1, 2000 and through December 31,
4 2001, new or used automatic vending machines that prepare and
5 serve hot food and beverages, including coffee, soup, and
6 other items, and replacement parts for these machines.
7 Beginning January 1, 2002 and through June 30, 2003, machines
8 and parts for machines used in commercial, coin-operated
9 amusement and vending business if a use or occupation tax is
10 paid on the gross receipts derived from the use of the
11 commercial, coin-operated amusement and vending machines. This
12 paragraph is exempt from the provisions of Section 3-75.

13 (23) Beginning August 23, 2001 and through June 30, 2016,
14 food for human consumption that is to be consumed off the
15 premises where it is sold (other than alcoholic beverages,
16 soft drinks, and food that has been prepared for immediate
17 consumption) and prescription and nonprescription medicines,
18 drugs, medical appliances, and insulin, urine testing
19 materials, syringes, and needles used by diabetics, for human
20 use, when purchased for use by a person receiving medical
21 assistance under Article V of the Illinois Public Aid Code who
22 resides in a licensed long-term care facility, as defined in
23 the Nursing Home Care Act, or in a licensed facility as defined
24 in the ID/DD Community Care Act, the MC/DD Act, or the
25 Specialized Mental Health Rehabilitation Act of 2013.

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
4 purchased by a lessor who leases the equipment, under a lease
5 of one year or longer executed or in effect at the time the
6 lessor would otherwise be subject to the tax imposed by this
7 Act, to a hospital that has been issued an active tax exemption
8 identification number by the Department under Section 1g of
9 the Retailers' Occupation Tax Act. If the equipment is leased
10 in a manner that does not qualify for this exemption or is used
11 in any other nonexempt manner, the lessor shall be liable for
12 the tax imposed under this Act or the Use Tax Act, as the case
13 may be, based on the fair market value of the property at the
14 time the nonqualifying use occurs. No lessor shall collect or
15 attempt to collect an amount (however designated) that
16 purports to reimburse that lessor for the tax imposed by this
17 Act or the Use Tax Act, as the case may be, if the tax has not
18 been paid by the lessor. If a lessor improperly collects any
19 such amount from the lessee, the lessee shall have a legal
20 right to claim a refund of that amount from the lessor. If,
21 however, that amount is not refunded to the lessee for any
22 reason, the lessor is liable to pay that amount to the
23 Department. This paragraph is exempt from the provisions of
24 Section 3-75.

25 (25) Beginning on August 2, 2001 (the effective date of
26 Public Act 92-227), personal property purchased by a lessor

1 who leases the property, under a lease of one year or longer
2 executed or in effect at the time the lessor would otherwise be
3 subject to the tax imposed by this Act, to a governmental body
4 that has been issued an active tax exemption identification
5 number by the Department under Section 1g of the Retailers'
6 Occupation Tax Act. If the property is leased in a manner that
7 does not qualify for this exemption or is used in any other
8 nonexempt manner, the lessor shall be liable for the tax
9 imposed under this Act or the Use Tax Act, as the case may be,
10 based on the fair market value of the property at the time the
11 nonqualifying use occurs. No lessor shall collect or attempt
12 to collect an amount (however designated) that purports to
13 reimburse that lessor for the tax imposed by this Act or the
14 Use Tax Act, as the case may be, if the tax has not been paid
15 by the lessor. If a lessor improperly collects any such amount
16 from the lessee, the lessee shall have a legal right to claim a
17 refund of that amount from the lessor. If, however, that
18 amount is not refunded to the lessee for any reason, the lessor
19 is liable to pay that amount to the Department. This paragraph
20 is exempt from the provisions of Section 3-75.

21 (26) Beginning January 1, 2008, tangible personal property
22 used in the construction or maintenance of a community water
23 supply, as defined under Section 3.145 of the Environmental
24 Protection Act, that is operated by a not-for-profit
25 corporation that holds a valid water supply permit issued
26 under Title IV of the Environmental Protection Act. This

1 paragraph is exempt from the provisions of Section 3-75.

2 (27) Beginning January 1, 2010 and continuing through
3 December 31, 2029, materials, parts, equipment, components,
4 and furnishings incorporated into or upon an aircraft as part
5 of the modification, refurbishment, completion, replacement,
6 repair, or maintenance of the aircraft. This exemption
7 includes consumable supplies used in the modification,
8 refurbishment, completion, replacement, repair, and
9 maintenance of aircraft. However, until January 1, 2024, this
10 exemption excludes any materials, parts, equipment,
11 components, and consumable supplies used in the modification,
12 replacement, repair, and maintenance of aircraft engines or
13 power plants, whether such engines or power plants are
14 installed or uninstalled upon any such aircraft. "Consumable
15 supplies" include, but are not limited to, adhesive, tape,
16 sandpaper, general purpose lubricants, cleaning solution,
17 latex gloves, and protective films.

18 Beginning January 1, 2010 and continuing through December
19 31, 2023, this exemption applies only to the use of qualifying
20 tangible personal property transferred incident to the
21 modification, refurbishment, completion, replacement, repair,
22 or maintenance of aircraft by persons who (i) hold an Air
23 Agency Certificate and are empowered to operate an approved
24 repair station by the Federal Aviation Administration, (ii)
25 have a Class IV Rating, and (iii) conduct operations in
26 accordance with Part 145 of the Federal Aviation Regulations.

1 From January 1, 2024 through December 31, 2029, this exemption
2 applies only to the use of qualifying tangible personal
3 property by: (A) persons who modify, refurbish, complete,
4 repair, replace, or maintain aircraft and who (i) hold an Air
5 Agency Certificate and are empowered to operate an approved
6 repair station by the Federal Aviation Administration, (ii)
7 have a Class IV Rating, and (iii) conduct operations in
8 accordance with Part 145 of the Federal Aviation Regulations;
9 and (B) persons who engage in the modification, replacement,
10 repair, and maintenance of aircraft engines or power plants
11 without regard to whether or not those persons meet the
12 qualifications of item (A).

13 The exemption does not include aircraft operated by a
14 commercial air carrier providing scheduled passenger air
15 service pursuant to authority issued under Part 121 or Part
16 129 of the Federal Aviation Regulations. The changes made to
17 this paragraph (27) by Public Act 98-534 are declarative of
18 existing law. It is the intent of the General Assembly that the
19 exemption under this paragraph (27) applies continuously from
20 January 1, 2010 through December 31, 2024; however, no claim
21 for credit or refund is allowed for taxes paid as a result of
22 the disallowance of this exemption on or after January 1, 2015
23 and prior to February 5, 2020 (the effective date of Public Act
24 101-629).

25 (28) Tangible personal property purchased by a
26 public-facilities corporation, as described in Section

1 11-65-10 of the Illinois Municipal Code, for purposes of
2 constructing or furnishing a municipal convention hall, but
3 only if the legal title to the municipal convention hall is
4 transferred to the municipality without any further
5 consideration by or on behalf of the municipality at the time
6 of the completion of the municipal convention hall or upon the
7 retirement or redemption of any bonds or other debt
8 instruments issued by the public-facilities corporation in
9 connection with the development of the municipal convention
10 hall. This exemption includes existing public-facilities
11 corporations as provided in Section 11-65-25 of the Illinois
12 Municipal Code. This paragraph is exempt from the provisions
13 of Section 3-75.

14 (29) Beginning January 1, 2017 and through December 31,
15 2026, menstrual pads, tampons, and menstrual cups.

16 (30) Tangible personal property transferred to a purchaser
17 who is exempt from the tax imposed by this Act by operation of
18 federal law. This paragraph is exempt from the provisions of
19 Section 3-75.

20 (31) Qualified tangible personal property used in the
21 construction or operation of a data center that has been
22 granted a certificate of exemption by the Department of
23 Commerce and Economic Opportunity, whether that tangible
24 personal property is purchased by the owner, operator, or
25 tenant of the data center or by a contractor or subcontractor
26 of the owner, operator, or tenant. Data centers that would

1 have qualified for a certificate of exemption prior to January
2 1, 2020 had Public Act 101-31 been in effect, may apply for and
3 obtain an exemption for subsequent purchases of computer
4 equipment or enabling software purchased or leased to upgrade,
5 supplement, or replace computer equipment or enabling software
6 purchased or leased in the original investment that would have
7 qualified.

8 The Department of Commerce and Economic Opportunity shall
9 grant a certificate of exemption under this item (31) to
10 qualified data centers as defined by Section 605-1025 of the
11 Department of Commerce and Economic Opportunity Law of the
12 Civil Administrative Code of Illinois.

13 For the purposes of this item (31):

14 "Data center" means a building or a series of
15 buildings rehabilitated or constructed to house working
16 servers in one physical location or multiple sites within
17 the State of Illinois.

18 "Qualified tangible personal property" means:
19 electrical systems and equipment; climate control and
20 chilling equipment and systems; mechanical systems and
21 equipment; monitoring and secure systems; emergency
22 generators; hardware; computers; servers; data storage
23 devices; network connectivity equipment; racks; cabinets;
24 telecommunications cabling infrastructure; raised floor
25 systems; peripheral components or systems; software;
26 mechanical, electrical, or plumbing systems; battery

1 systems; cooling systems and towers; temperature control
2 systems; other cabling; and other data center
3 infrastructure equipment and systems necessary to operate
4 qualified tangible personal property, including fixtures;
5 and component parts of any of the foregoing, including
6 installation, maintenance, repair, refurbishment, and
7 replacement of qualified tangible personal property to
8 generate, transform, transmit, distribute, or manage
9 electricity necessary to operate qualified tangible
10 personal property; and all other tangible personal
11 property that is essential to the operations of a computer
12 data center. The term "qualified tangible personal
13 property" also includes building materials physically
14 incorporated into ~~in to~~ the qualifying data center. To
15 document the exemption allowed under this Section, the
16 retailer must obtain from the purchaser a copy of the
17 certificate of eligibility issued by the Department of
18 Commerce and Economic Opportunity.

19 This item (31) is exempt from the provisions of Section
20 3-75.

21 (32) Beginning July 1, 2022, breast pumps, breast pump
22 collection and storage supplies, and breast pump kits. This
23 item (32) is exempt from the provisions of Section 3-75. As
24 used in this item (32):

25 "Breast pump" means an electrically controlled or
26 manually controlled pump device designed or marketed to be

1 used to express milk from a human breast during lactation,
2 including the pump device and any battery, AC adapter, or
3 other power supply unit that is used to power the pump
4 device and is packaged and sold with the pump device at the
5 time of sale.

6 "Breast pump collection and storage supplies" means
7 items of tangible personal property designed or marketed
8 to be used in conjunction with a breast pump to collect
9 milk expressed from a human breast and to store collected
10 milk until it is ready for consumption.

11 "Breast pump collection and storage supplies"
12 includes, but is not limited to: breast shields and breast
13 shield connectors; breast pump tubes and tubing adapters;
14 breast pump valves and membranes; backflow protectors and
15 backflow protector adaptors; bottles and bottle caps
16 specific to the operation of the breast pump; and breast
17 milk storage bags.

18 "Breast pump collection and storage supplies" does not
19 include: (1) bottles and bottle caps not specific to the
20 operation of the breast pump; (2) breast pump travel bags
21 and other similar carrying accessories, including ice
22 packs, labels, and other similar products; (3) breast pump
23 cleaning supplies; (4) nursing bras, bra pads, breast
24 shells, and other similar products; and (5) creams,
25 ointments, and other similar products that relieve
26 breastfeeding-related symptoms or conditions of the

1 breasts or nipples, unless sold as part of a breast pump
2 kit that is pre-packaged by the breast pump manufacturer
3 or distributor.

4 "Breast pump kit" means a kit that: (1) contains no
5 more than a breast pump, breast pump collection and
6 storage supplies, a rechargeable battery for operating the
7 breast pump, a breastmilk cooler, bottle stands, ice
8 packs, and a breast pump carrying case; and (2) is
9 pre-packaged as a breast pump kit by the breast pump
10 manufacturer or distributor.

11 (33) Tangible personal property sold by or on behalf of
12 the State Treasurer pursuant to the Revised Uniform Unclaimed
13 Property Act. This item (33) is exempt from the provisions of
14 Section 3-75.

15 (34) Beginning on January 1, 2024, tangible personal
16 property purchased by an active duty member of the armed
17 forces of the United States who presents valid military
18 identification and purchases the property using a form of
19 payment where the federal government is the payor. The member
20 of the armed forces must complete, at the point of sale, a form
21 prescribed by the Department of Revenue documenting that the
22 transaction is eligible for the exemption under this
23 paragraph. Retailers must keep the form as documentation of
24 the exemption in their records for a period of not less than 6
25 years. "Armed forces of the United States" means the United
26 States Army, Navy, Air Force, Marine Corps, or Coast Guard.

1 This paragraph is exempt from the provisions of Section 3-75.

2 (35) Beginning on July 1, 2024, 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. This item (35) is
11 exempt from the provisions of Section 3-75.

12 (36) Beginning on July 1, 2024, food for human consumption
13 that is to be consumed off the premises where it is sold (other
14 than alcoholic beverages, food consisting of or infused with
15 adult use cannabis, soft drinks, and food that has been
16 prepared for immediate consumption). This item (36) is exempt
17 from the provisions of Section 3-75.

18 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
19 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
20 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
21 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,
22 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
23 revised 12-12-23.)

24 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

25 Sec. 3-10. Rate of tax. Unless otherwise provided in this

1 Section, the tax imposed by this Act is at the rate of 6.25% of
2 the selling price of tangible personal property transferred as
3 an incident to the sale of service, but, for the purpose of
4 computing this tax, in no event shall the selling price be less
5 than the cost price of the property to the serviceman.

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 applies to (i) 70% of the selling price
12 of property transferred as an incident to the sale of service
13 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
14 of the selling price of property transferred as an incident to
15 the sale of service on or after July 1, 2003 and on or before
16 July 1, 2017, (iii) 100% of the selling price of property
17 transferred as an incident to the sale of service after July 1,
18 2017 and before January 1, 2024, (iv) 90% of the selling price
19 of property transferred as an incident to the sale of service
20 on or after January 1, 2024 and on or before December 31, 2028,
21 and (v) 100% of the selling price of property transferred as an
22 incident to the sale of service after December 31, 2028. If, at
23 any time, however, the tax under this Act on sales of gasohol,
24 as defined in the Use Tax Act, is imposed at the rate of 1.25%,
25 then the tax imposed by this Act applies to 100% of the
26 proceeds of sales of gasohol made during that time.

1 With respect to mid-range ethanol blends, as defined in
2 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
3 applies to (i) 80% of the selling price of property
4 transferred as an incident to the sale of service on or after
5 January 1, 2024 and on or before December 31, 2028 and (ii)
6 100% of the selling price of property transferred as an
7 incident to the sale of service after December 31, 2028. If, at
8 any time, however, the tax under this Act on sales of mid-range
9 ethanol blends is imposed at the rate of 1.25%, then the tax
10 imposed by this Act applies to 100% of the selling price of
11 mid-range ethanol blends transferred as an incident to the
12 sale of service during that time.

13 With respect to majority blended ethanol fuel, as defined
14 in the Use Tax Act, the tax imposed by this Act does not apply
15 to the selling price of property transferred as an incident to
16 the sale of service on or after July 1, 2003 and on or before
17 December 31, 2028 but applies to 100% of the selling price
18 thereafter.

19 With respect to biodiesel blends, as defined in the Use
20 Tax Act, with no less than 1% and no more than 10% biodiesel,
21 the tax imposed by this Act applies to (i) 80% of the selling
22 price of property transferred as an incident to the sale of
23 service on or after July 1, 2003 and on or before December 31,
24 2018 and (ii) 100% of the proceeds of the selling price after
25 December 31, 2018 and before January 1, 2024. On and after
26 January 1, 2024 and on or before December 31, 2030, the

1 taxation of biodiesel, renewable diesel, and biodiesel blends
2 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
3 at any time, however, the tax under this Act on sales of
4 biodiesel blends, as defined in the Use Tax Act, with no less
5 than 1% and no more than 10% biodiesel is imposed at the rate
6 of 1.25%, then the tax imposed by this Act applies to 100% of
7 the proceeds of sales of biodiesel blends with no less than 1%
8 and no more than 10% biodiesel made during that time.

9 With respect to biodiesel, as defined in the Use Tax Act,
10 and biodiesel blends, as defined in the Use Tax Act, with more
11 than 10% but no more than 99% biodiesel, the tax imposed by
12 this Act does not apply to the proceeds of the selling price of
13 property transferred as an incident to the sale of service on
14 or after July 1, 2003 and on or before December 31, 2023. On
15 and after January 1, 2024 and on or before December 31, 2030,
16 the taxation of biodiesel, renewable diesel, and biodiesel
17 blends shall be as provided in Section 3-5.1 of the Use Tax
18 Act.

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

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

3 Until July 1, 2022 and from beginning again on July 1, 2023
4 through June 30, 2024, the tax shall be imposed at the rate of
5 1% on food prepared for immediate consumption and transferred
6 incident to a sale of service subject to this Act or the
7 Service Occupation Tax Act by an entity licensed under the
8 Hospital Licensing Act, the Nursing Home Care Act, the
9 Assisted Living and Shared Housing Act, the ID/DD Community
10 Care Act, the MC/DD Act, the Specialized Mental Health
11 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
12 an entity that holds a permit issued pursuant to the Life Care
13 Facilities Act. Until July 1, 2022 and from beginning again on
14 July 1, 2023 through June 30, 2024, the tax shall also be
15 imposed at the rate of 1% on food for human consumption that is
16 to be 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 ~~From Beginning on~~ July 1, 2022 through June 30, 2023, and
22 on and after July 1, 2024, and until July 1, 2023, the tax
23 ~~shall be imposed at the rate of 0% on~~ food prepared for
24 immediate consumption and transferred incident to a sale of
25 service subject to this Act or the Service Occupation Tax Act
26 by an entity licensed under the Hospital Licensing Act, the

1 Nursing Home Care Act, the Assisted Living and Shared Housing
2 Act, the ID/DD Community Care Act, the MC/DD Act, the
3 Specialized Mental Health Rehabilitation Act of 2013, or the
4 Child Care Act of 1969, or an entity that holds a permit issued
5 pursuant to the Life Care Facilities Act is exempt from the tax
6 under this Act. From ~~Beginning on~~ July 1, 2022 ~~through June 30,~~
7 ~~2023, and on and after July 1, 2024, and until July 1, 2023,~~
8 ~~the tax shall also be imposed at the rate of 0% on~~ food for
9 human consumption that is to be consumed off the premises
10 where it is sold (other than alcoholic beverages, food
11 consisting of or infused with adult use cannabis, soft drinks,
12 and food that has been prepared for immediate consumption and
13 is not otherwise included in this paragraph) is exempt from
14 the tax under this Act.

15 The tax shall also be imposed at the rate of 1% on
16 prescription and nonprescription medicines, drugs, medical
17 appliances, products classified as Class III medical devices
18 by the United States Food and Drug Administration that are
19 used for cancer treatment pursuant to a prescription, as well
20 as any accessories and components related to those devices,
21 modifications to a motor vehicle for the purpose of rendering
22 it usable by a person with a disability, and insulin, blood
23 sugar testing materials, syringes, and needles used by human
24 diabetics. For the purposes of this Section, until September
25 1, 2009: the term "soft drinks" means any complete, finished,
26 ready-to-use, non-alcoholic drink, whether carbonated or not,

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

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

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

1 regardless of the location of the vending machine.

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

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

24 (A) a "Drug Facts" panel; or

25 (B) a statement of the "active ingredient(s)" with a
26 list of those ingredients contained in the compound,

1 substance or preparation.

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

7 As used in this Section, "adult use cannabis" means
8 cannabis subject to tax under the Cannabis Cultivation
9 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
10 and does not include cannabis subject to tax under the
11 Compassionate Use of Medical Cannabis Program Act.

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

19 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;
20 102-700, Article 20, Section 20-10, eff. 4-19-22; 102-700,
21 Article 60, Section 60-20, eff. 4-19-22; 103-9, eff. 6-7-23;
22 103-154, eff. 6-30-23.)

23 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

24 Sec. 9. Each serviceman required or authorized to collect
25 the tax herein imposed shall pay to the Department the amount

1 of such tax (except as otherwise provided) at the time when he
2 is required to file his return for the period during which such
3 tax was collected, less a discount of 2.1% prior to January 1,
4 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
5 year, whichever is greater, which is allowed to reimburse the
6 serviceman for expenses incurred in collecting the tax,
7 keeping records, preparing and filing returns, remitting the
8 tax and supplying data to the Department on request. When
9 determining the discount allowed under this Section,
10 servicemen shall include the amount of tax that would have
11 been due at the 1% rate but for the 0% rate imposed under this
12 amendatory Act of the 102nd General Assembly. The discount
13 under this Section is not allowed for the 1.25% portion of
14 taxes paid on aviation fuel that is subject to the revenue use
15 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
16 discount allowed under this Section is allowed only for
17 returns that are filed in the manner required by this Act. The
18 Department may disallow the discount for servicemen whose
19 certificate of registration is revoked at the time the return
20 is filed, but only if the Department's decision to revoke the
21 certificate of registration has become final. A serviceman
22 need not remit that part of any tax collected by him to the
23 extent that he is required to pay and does pay the tax imposed
24 by the Service Occupation Tax Act with respect to his sale of
25 service involving the incidental transfer by him of the same
26 property.

1 Except as provided hereinafter in this Section, on or
2 before the twentieth day of each calendar month, such
3 serviceman shall file a return for the preceding calendar
4 month in accordance with reasonable Rules and Regulations to
5 be promulgated by the Department. Such return shall be filed
6 on a form prescribed by the Department and shall contain such
7 information as the Department may reasonably require. The
8 return shall include the gross receipts which were received
9 during the preceding calendar month or quarter on the
10 following items upon which tax would have been due but for the
11 0% rate imposed under this amendatory Act of the 102nd General
12 Assembly: (i) 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 (ii) food prepared for immediate
17 consumption and transferred incident to a sale of service
18 subject to this Act or the Service Occupation Tax Act by an
19 entity licensed under the Hospital Licensing Act, the Nursing
20 Home Care Act, the Assisted Living and Shared Housing Act, the
21 ID/DD Community Care Act, the MC/DD Act, the Specialized
22 Mental Health Rehabilitation Act of 2013, or the Child Care
23 Act of 1969, or an entity that holds a permit issued pursuant
24 to the Life Care Facilities Act. The return shall also include
25 the amount of tax that would have been due on the items listed
26 in the previous sentence but for the 0% rate imposed under this

1 amendatory Act of the 102nd General Assembly.

2 On and after January 1, 2018, with respect to servicemen
3 whose annual gross receipts average \$20,000 or more, all
4 returns required to be filed pursuant to this Act shall be
5 filed electronically. Servicemen who demonstrate that they do
6 not have access to the Internet or demonstrate hardship in
7 filing electronically may petition the Department to waive the
8 electronic filing requirement.

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

- 16 1. The name of the seller;
- 17 2. The address of the principal place of business from
18 which he engages in business as a serviceman in this
19 State;
- 20 3. The total amount of taxable receipts received by
21 him during the preceding calendar month, including
22 receipts from charge and time sales, but less all
23 deductions allowed by law;
- 24 4. The amount of credit provided in Section 2d of this
25 Act;
- 26 5. The amount of tax due;

1 5-5. The signature of the taxpayer; and

2 6. Such other reasonable information as the Department
3 may require.

4 Each serviceman required or authorized to collect the tax
5 imposed by this Act on aviation fuel transferred as an
6 incident of a sale of service in this State during the
7 preceding calendar month shall, instead of reporting and
8 paying tax on aviation fuel as otherwise required by this
9 Section, report and pay such tax on a separate aviation fuel
10 tax return. The requirements related to the return shall be as
11 otherwise provided in this Section. Notwithstanding any other
12 provisions of this Act to the contrary, servicemen collecting
13 tax on aviation fuel shall file all aviation fuel tax returns
14 and shall make all aviation fuel tax payments by electronic
15 means in the manner and form required by the Department. For
16 purposes of this Section, "aviation fuel" means jet fuel and
17 aviation gasoline.

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

22 Notwithstanding any other provision of this Act to the
23 contrary, servicemen subject to tax on cannabis shall file all
24 cannabis tax returns and shall make all cannabis tax payments
25 by electronic means in the manner and form required by the
26 Department.

1 Beginning October 1, 1993, a taxpayer who has an average
2 monthly tax liability of \$150,000 or more shall make all
3 payments required by rules of the Department by electronic
4 funds transfer. Beginning October 1, 1994, a taxpayer who has
5 an average monthly tax liability of \$100,000 or more shall
6 make all payments required by rules of the Department by
7 electronic funds transfer. Beginning October 1, 1995, a
8 taxpayer who has an average monthly tax liability of \$50,000
9 or more shall make all payments required by rules of the
10 Department by electronic funds transfer. Beginning October 1,
11 2000, a taxpayer who has an annual tax liability of \$200,000 or
12 more shall make all payments required by rules of the
13 Department by electronic funds transfer. The term "annual tax
14 liability" shall be the sum of the taxpayer's liabilities
15 under this Act, and under all other State and local occupation
16 and use tax laws administered by the Department, for the
17 immediately preceding calendar year. The term "average monthly
18 tax liability" means the sum of the taxpayer's liabilities
19 under this Act, and under all other State and local occupation
20 and use tax laws administered by the Department, for the
21 immediately preceding calendar year divided by 12. Beginning
22 on October 1, 2002, a taxpayer who has a tax liability in the
23 amount set forth in subsection (b) of Section 2505-210 of the
24 Department of Revenue Law shall make all payments required by
25 rules of the Department by electronic funds transfer.

26 Before August 1 of each year beginning in 1993, the

1 Department shall notify all taxpayers required to make
2 payments by electronic funds transfer. All taxpayers required
3 to make payments by electronic funds transfer shall make those
4 payments for a minimum of one year beginning on October 1.

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

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

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

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

26 If the serviceman is otherwise required to file a monthly

1 or quarterly return and if the serviceman's average monthly
2 tax liability to the Department does not exceed \$50, the
3 Department may authorize his returns to be filed on an annual
4 basis, with the return for a given year being due by January 20
5 of the following year.

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

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

16 Where a serviceman collects the tax with respect to the
17 selling price of property which he sells and the purchaser
18 thereafter returns such property and the serviceman refunds
19 the selling price thereof to the purchaser, such serviceman
20 shall also refund, to the purchaser, the tax so collected from
21 the purchaser. When filing his return for the period in which
22 he refunds such tax to the purchaser, the serviceman may
23 deduct the amount of the tax so refunded by him to the
24 purchaser from any other Service Use Tax, Service Occupation
25 Tax, retailers' occupation tax or use tax which such
26 serviceman may be required to pay or remit to the Department,

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

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

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 Service Occupation Tax
16 Act, to furnish all the return information required by both
17 Acts on the one form.

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

23 Beginning January 1, 1990, each month the Department shall
24 pay into the State and Local Tax Reform Fund, a special fund in
25 the State Treasury, the net revenue realized for the preceding
26 month from the 1% tax imposed under this Act.

1 Beginning August 1, 2024, each month the State Comptroller
2 shall order transferred and the State Treasurer shall transfer
3 from the General Revenue Fund to the State and Local Tax Reform
4 Fund an amount equal to the net revenue that would have been
5 realized during the preceding month from sales of the items
6 described in items (35) and (36) of Section 3-5 if the tax on
7 those items had been imposed at the rate of 1%.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund 20% of the
10 net revenue realized for the preceding month from the 6.25%
11 general rate on transfers of tangible personal property, other
12 than (i) tangible personal property which is purchased outside
13 Illinois at retail from a retailer and which is titled or
14 registered by an agency of this State's government and (ii)
15 aviation fuel sold on or after December 1, 2019. This
16 exception for aviation fuel only applies for so long as the
17 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
18 47133 are binding on the State.

19 For aviation fuel sold on or after December 1, 2019, each
20 month the Department shall pay into the State Aviation Program
21 Fund 20% of the net revenue realized for the preceding month
22 from the 6.25% general rate on the selling price of aviation
23 fuel, less an amount estimated by the Department to be
24 required for refunds of the 20% portion of the tax on aviation
25 fuel under this Act, which amount shall be deposited into the
26 Aviation Fuel Sales Tax Refund Fund. The Department shall only

1 pay moneys into the State Aviation Program Fund and the
2 Aviation Fuel Sales Tax Refund Fund under this Act for so long
3 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
4 U.S.C. 47133 are binding on the State.

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

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

16 Beginning July 1, 2013, each month the Department shall
17 pay into the Underground Storage Tank Fund from the proceeds
18 collected under this Act, the 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 Use Tax Act, the Service Occupation Tax Act, and the
25 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
26 any State fiscal year. As used in this paragraph, the "average

1 monthly deficit" shall be equal to the difference between the
2 average monthly claims for payment by the fund and the average
3 monthly revenues deposited into the fund, excluding payments
4 made pursuant to this paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys
6 received by the Department under the Use Tax Act, this Act, the
7 Service Occupation Tax Act, and the Retailers' Occupation Tax
8 Act, each month the Department shall deposit \$500,000 into the
9 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

1	2008	126,000,000
2	2009	132,000,000
3	2010	139,000,000
4	2011	146,000,000
5	2012	153,000,000
6	2013	161,000,000
7	2014	170,000,000
8	2015	179,000,000
9	2016	189,000,000
10	2017	199,000,000
11	2018	210,000,000
12	2019	221,000,000
13	2020	233,000,000
14	2021	300,000,000
15	2022	300,000,000
16	2023	300,000,000
17	2024	300,000,000
18	2025	300,000,000
19	2026	300,000,000
20	2027	375,000,000
21	2028	375,000,000
22	2029	375,000,000
23	2030	375,000,000
24	2031	375,000,000
25	2032	375,000,000
26	2033	375,000,000

1	2034	375,000,000
2	2035	375,000,000
3	2036	450,000,000

4 and

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2060.

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

25 Subject to payment of amounts into the Capital Projects
26 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,

1 and the McCormick Place Expansion Project Fund pursuant to the
2 preceding paragraphs or in any amendments thereto hereafter
3 enacted, for aviation fuel sold on or after December 1, 2019,
4 the Department shall each month deposit into the Aviation Fuel
5 Sales Tax Refund Fund an amount estimated by the Department to
6 be required for refunds of the 80% portion of the tax on
7 aviation fuel under this Act. The Department shall only
8 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
9 under this paragraph for so long as the revenue use
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
11 binding on the State.

12 Subject to payment of amounts into the Build Illinois Fund
13 and the McCormick Place Expansion Project Fund pursuant to the
14 preceding paragraphs or in any amendments thereto hereafter
15 enacted, beginning July 1, 1993 and ending on September 30,
16 2013, the Department shall each month pay into the Illinois
17 Tax Increment Fund 0.27% of 80% of the net revenue realized for
18 the preceding month from the 6.25% general rate on the selling
19 price of tangible personal property.

20 Subject to payment of amounts into the Build Illinois
21 Fund, the McCormick Place Expansion Project Fund, the Illinois
22 Tax Increment Fund, pursuant to the preceding paragraphs or in
23 any amendments to this Section hereafter enacted, beginning on
24 the first day of the first calendar month to occur on or after
25 August 26, 2014 (the effective date of Public Act 98-1098),
26 each month, from the collections made under Section 9 of the

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

13 Subject to payments of amounts into the Build Illinois
14 Fund, the McCormick Place Expansion Project Fund, the Illinois
15 Tax Increment Fund, and the Tax Compliance and Administration
16 Fund as provided in this Section, beginning on July 1, 2018 the
17 Department shall pay each month into the Downstate Public
18 Transportation Fund the moneys required to be so paid under
19 Section 2-3 of the Downstate Public Transportation Act.

20 Subject to successful execution and delivery of a
21 public-private agreement between the public agency and private
22 entity and completion of the civic build, beginning on July 1,
23 2023, of the remainder of the moneys received by the
24 Department under the Use Tax Act, the Service Use Tax Act, the
25 Service Occupation Tax Act, and this Act, the Department shall
26 deposit the following specified deposits in the aggregate from

1 collections under the Use Tax Act, the Service Use Tax Act, the
 2 Service Occupation Tax Act, and the Retailers' Occupation Tax
 3 Act, as required under Section 8.25g of the State Finance Act
 4 for distribution consistent with the Public-Private
 5 Partnership for Civic and Transit Infrastructure Project Act.
 6 The moneys received by the Department pursuant to this Act and
 7 required to be deposited into the Civic and Transit
 8 Infrastructure Fund are subject to the pledge, claim, and
 9 charge set forth in Section 25-55 of the Public-Private
 10 Partnership for Civic and Transit Infrastructure Project Act.
 11 As used in this paragraph, "civic build", "private entity",
 12 "public-private agreement", and "public agency" have the
 13 meanings provided in Section 25-10 of the Public-Private
 14 Partnership for Civic and Transit Infrastructure Project Act.

15	Fiscal Year.....	Total Deposit
16	2024	\$200,000,000
17	2025	\$206,000,000
18	2026	\$212,200,000
19	2027	\$218,500,000
20	2028	\$225,100,000
21	2029	\$288,700,000
22	2030	\$298,900,000
23	2031	\$309,300,000
24	2032	\$320,100,000
25	2033	\$331,200,000
26	2034	\$341,200,000

1	2035	.....	\$351,400,000
2	2036	.....	\$361,900,000
3	2037	.....	\$372,800,000
4	2038	.....	\$384,000,000
5	2039	.....	\$395,500,000
6	2040	.....	\$407,400,000
7	2041	.....	\$419,600,000
8	2042	.....	\$432,200,000
9	2043	.....	\$445,100,000

10 Beginning July 1, 2021 and until July 1, 2022, subject to
11 the payment of amounts into the State and Local Sales Tax
12 Reform Fund, the Build Illinois Fund, the McCormick Place
13 Expansion Project Fund, the Energy Infrastructure Fund, and
14 the Tax Compliance and Administration Fund as provided in this
15 Section, the Department shall pay each month into the Road
16 Fund the amount estimated to represent 16% of the net revenue
17 realized from the taxes imposed on motor fuel and gasohol.
18 Beginning July 1, 2022 and until July 1, 2023, subject to the
19 payment of amounts into the State and Local Sales Tax Reform
20 Fund, the Build Illinois Fund, the McCormick Place Expansion
21 Project Fund, the Illinois Tax Increment Fund, and the Tax
22 Compliance and Administration Fund as provided in this
23 Section, the Department shall pay each month into the Road
24 Fund the amount estimated to represent 32% of the net revenue
25 realized from the taxes imposed on motor fuel and gasohol.
26 Beginning July 1, 2023 and until July 1, 2024, subject to the

1 payment of amounts into the State and Local Sales Tax Reform
2 Fund, the Build Illinois Fund, the McCormick Place Expansion
3 Project Fund, the Illinois Tax Increment Fund, and the Tax
4 Compliance and Administration Fund as provided in this
5 Section, the Department shall pay each month into the Road
6 Fund the amount estimated to represent 48% of the net revenue
7 realized from the taxes imposed on motor fuel and gasohol.
8 Beginning July 1, 2024 and until July 1, 2025, subject to the
9 payment of amounts into the State and Local Sales Tax Reform
10 Fund, the Build Illinois Fund, the McCormick Place Expansion
11 Project Fund, the Illinois Tax Increment Fund, and the Tax
12 Compliance and Administration Fund as provided in this
13 Section, the Department shall pay each month into the Road
14 Fund the amount estimated to represent 64% of the net revenue
15 realized from the taxes imposed on motor fuel and gasohol.
16 Beginning on July 1, 2025, subject to the payment of amounts
17 into the State and Local Sales Tax Reform Fund, the Build
18 Illinois Fund, the McCormick Place Expansion Project Fund, the
19 Illinois Tax Increment Fund, and the Tax Compliance and
20 Administration Fund as provided in this Section, the
21 Department shall pay each month into the Road Fund the amount
22 estimated to represent 80% of the net revenue realized from
23 the taxes imposed on motor fuel and gasohol. As used in this
24 paragraph "motor fuel" has the meaning given to that term in
25 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the
26 meaning given to that term in Section 3-40 of the Use Tax Act.

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

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 (Source: P.A. 102-700, eff. 4-19-22; 103-363, eff. 7-28-23.)

20 Section 20. The Service Occupation Tax Act is amended by
21 changing Sections 3-5, 3-10, and 9 as follows:

22 (35 ILCS 115/3-5)

23 Sec. 3-5. Exemptions. The following tangible personal
24 property is exempt from the tax imposed by this Act:

1 (1) Personal property sold by a corporation, society,
2 association, foundation, institution, or organization, other
3 than a limited liability company, that is organized and
4 operated as a not-for-profit service enterprise for the
5 benefit of persons 65 years of age or older if the personal
6 property was not purchased by the enterprise for the purpose
7 of resale by the enterprise.

8 (2) Personal property purchased by a not-for-profit
9 Illinois county fair association for use in conducting,
10 operating, or promoting the county fair.

11 (3) Personal property purchased by any not-for-profit arts
12 or cultural organization that establishes, by proof required
13 by the Department by rule, that it has received an exemption
14 under Section 501(c)(3) of the Internal Revenue Code and that
15 is organized and operated primarily for the presentation or
16 support of arts or cultural programming, activities, or
17 services. These organizations include, but are not limited to,
18 music and dramatic arts organizations such as symphony
19 orchestras and theatrical groups, arts and cultural service
20 organizations, local arts councils, visual arts organizations,
21 and media arts organizations. On and after July 1, 2001 (the
22 effective date of Public Act 92-35), however, an entity
23 otherwise eligible for this exemption shall not make tax-free
24 purchases unless it has an active identification number issued
25 by the Department.

26 (4) Legal tender, currency, medallions, or gold or silver

1 coinage issued by the State of Illinois, the government of the
2 United States of America, or the government of any foreign
3 country, and bullion.

4 (5) Until July 1, 2003 and beginning again on September 1,
5 2004 through August 30, 2014, graphic arts machinery and
6 equipment, including repair and replacement parts, both new
7 and used, and including that manufactured on special order or
8 purchased for lease, certified by the purchaser to be used
9 primarily for graphic arts production. Equipment includes
10 chemicals or chemicals acting as catalysts but only if the
11 chemicals or chemicals acting as catalysts effect a direct and
12 immediate change upon a graphic arts product. Beginning on
13 July 1, 2017, graphic arts machinery and equipment is included
14 in the manufacturing and assembling machinery and equipment
15 exemption under Section 2 of this Act.

16 (6) Personal property sold by a teacher-sponsored student
17 organization affiliated with an elementary or secondary school
18 located in Illinois.

19 (7) Farm machinery and equipment, both new and used,
20 including that manufactured on special order, certified by the
21 purchaser to be used primarily for production agriculture or
22 State or federal agricultural programs, including individual
23 replacement parts for the machinery and equipment, including
24 machinery and equipment purchased for lease, and including
25 implements of husbandry defined in Section 1-130 of the
26 Illinois Vehicle Code, farm machinery and agricultural

1 chemical and fertilizer spreaders, and nurse wagons required
2 to be registered under Section 3-809 of the Illinois Vehicle
3 Code, but excluding other motor vehicles required to be
4 registered under the Illinois Vehicle Code. Horticultural
5 polyhouses or hoop houses used for propagating, growing, or
6 overwintering plants shall be considered farm machinery and
7 equipment under this item (7). Agricultural chemical tender
8 tanks and dry boxes shall include units sold separately from a
9 motor vehicle required to be licensed and units sold mounted
10 on a motor vehicle required to be licensed if the selling price
11 of the tender is separately stated.

12 Farm machinery and equipment shall include precision
13 farming equipment that is installed or purchased to be
14 installed on farm machinery and equipment, including, but not
15 limited to, tractors, harvesters, sprayers, planters, seeders,
16 or spreaders. Precision farming equipment includes, but is not
17 limited to, soil testing sensors, computers, monitors,
18 software, global positioning and mapping systems, and other
19 such equipment.

20 Farm machinery and equipment also includes computers,
21 sensors, software, and related equipment used primarily in the
22 computer-assisted operation of production agriculture
23 facilities, equipment, and activities such as, but not limited
24 to, the collection, monitoring, and correlation of animal and
25 crop data for the purpose of formulating animal diets and
26 agricultural chemicals.

1 Beginning on January 1, 2024, farm machinery and equipment
2 also includes electrical power generation equipment used
3 primarily for production agriculture.

4 This item (7) is exempt from the provisions of Section
5 3-55.

6 (8) Until June 30, 2013, fuel and petroleum products sold
7 to or used by an air common carrier, certified by the carrier
8 to be used for consumption, shipment, or storage in the
9 conduct of its business as an air common carrier, for a flight
10 destined for or returning from a location or locations outside
11 the United States without regard to previous or subsequent
12 domestic stopovers.

13 Beginning July 1, 2013, fuel and petroleum products sold
14 to or used by an air carrier, certified by the carrier to be
15 used for consumption, shipment, or storage in the conduct of
16 its business as an air common carrier, for a flight that (i) is
17 engaged in foreign trade or is engaged in trade between the
18 United States and any of its possessions and (ii) transports
19 at least one individual or package for hire from the city of
20 origination to the city of final destination on the same
21 aircraft, without regard to a change in the flight number of
22 that aircraft.

23 (9) Proceeds of mandatory service charges separately
24 stated on customers' bills for the purchase and consumption of
25 food and beverages, to the extent that the proceeds of the
26 service charge are in fact turned over as tips or as a

1 substitute for tips to the employees who participate directly
2 in preparing, serving, hosting or cleaning up the food or
3 beverage function with respect to which the service charge is
4 imposed.

5 (10) Until July 1, 2003, oil field exploration, drilling,
6 and production equipment, including (i) rigs and parts of
7 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
8 pipe and tubular goods, including casing and drill strings,
9 (iii) pumps and pump-jack units, (iv) storage tanks and flow
10 lines, (v) any individual replacement part for oil field
11 exploration, drilling, and production equipment, and (vi)
12 machinery and equipment purchased for lease; but excluding
13 motor vehicles required to be registered under the Illinois
14 Vehicle Code.

15 (11) Photoprocessing machinery and equipment, including
16 repair and replacement parts, both new and used, including
17 that manufactured on special order, certified by the purchaser
18 to be used primarily for photoprocessing, and including
19 photoprocessing machinery and equipment purchased for lease.

20 (12) Until July 1, 2028, coal and aggregate exploration,
21 mining, off-highway hauling, processing, maintenance, and
22 reclamation equipment, including replacement parts and
23 equipment, and including equipment purchased for lease, but
24 excluding motor vehicles required to be registered under the
25 Illinois Vehicle Code. The changes made to this Section by
26 Public Act 97-767 apply on and after July 1, 2003, but no claim

1 for credit or refund is allowed on or after August 16, 2013
2 (the effective date of Public Act 98-456) for such taxes paid
3 during the period beginning July 1, 2003 and ending on August
4 16, 2013 (the effective date of Public Act 98-456).

5 (13) Beginning January 1, 1992 and through June 30, 2016,
6 food for human consumption that is to be consumed off the
7 premises where it is sold (other than alcoholic beverages,
8 soft drinks and food that has been prepared for immediate
9 consumption) and prescription and non-prescription medicines,
10 drugs, medical appliances, and insulin, urine testing
11 materials, syringes, and needles used by diabetics, for human
12 use, when purchased for use by a person receiving medical
13 assistance under Article V of the Illinois Public Aid Code who
14 resides in a licensed long-term care facility, as defined in
15 the Nursing Home Care Act, or in a licensed facility as defined
16 in the ID/DD Community Care Act, the MC/DD Act, or the
17 Specialized Mental Health Rehabilitation Act of 2013.

18 (14) Semen used for artificial insemination of livestock
19 for direct agricultural production.

20 (15) Horses, or interests in horses, registered with and
21 meeting the requirements of any of the Arabian Horse Club
22 Registry of America, Appaloosa Horse Club, American Quarter
23 Horse Association, United States Trotting Association, or
24 Jockey Club, as appropriate, used for purposes of breeding or
25 racing for prizes. This item (15) is exempt from the
26 provisions of Section 3-55, and the exemption provided for

1 under this item (15) applies for all periods beginning May 30,
2 1995, but no claim for credit or refund is allowed on or after
3 January 1, 2008 (the effective date of Public Act 95-88) for
4 such taxes paid during the period beginning May 30, 2000 and
5 ending on January 1, 2008 (the effective date of Public Act
6 95-88).

7 (16) Computers and communications equipment utilized for
8 any hospital purpose and equipment used in the diagnosis,
9 analysis, or treatment of hospital patients sold to a lessor
10 who leases the equipment, under a lease of one year or longer
11 executed or in effect at the time of the purchase, to a
12 hospital that has been issued an active tax exemption
13 identification number by the Department under Section 1g of
14 the Retailers' Occupation Tax Act.

15 (17) Personal property sold to a lessor who leases the
16 property, under a lease of one year or longer executed or in
17 effect at the time of the purchase, to a governmental body that
18 has been issued an active tax exemption identification number
19 by the Department under Section 1g of the Retailers'
20 Occupation Tax Act.

21 (18) 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 donated
24 for disaster relief to be used in a State or federally declared
25 disaster area in Illinois or bordering Illinois by a
26 manufacturer or retailer that is registered in this State to a

1 corporation, society, association, foundation, or institution
2 that has been issued a sales tax exemption identification
3 number by the Department that assists victims of the disaster
4 who reside within the declared disaster area.

5 (19) Beginning with taxable years ending on or after
6 December 31, 1995 and ending with taxable years ending on or
7 before December 31, 2004, personal property that is used in
8 the performance of infrastructure repairs in this State,
9 including, but not limited to, municipal roads and streets,
10 access roads, bridges, sidewalks, waste disposal systems,
11 water and sewer line extensions, water distribution and
12 purification facilities, storm water drainage and retention
13 facilities, and sewage treatment facilities, resulting from a
14 State or federally declared disaster in Illinois or bordering
15 Illinois when such repairs are initiated on facilities located
16 in the declared disaster area within 6 months after the
17 disaster.

18 (20) Beginning July 1, 1999, game or game birds sold at a
19 "game breeding and hunting preserve area" as that term is used
20 in the Wildlife Code. This paragraph is exempt from the
21 provisions of Section 3-55.

22 (21) A motor vehicle, as that term is defined in Section
23 1-146 of the Illinois Vehicle Code, that is donated to a
24 corporation, limited liability company, society, association,
25 foundation, or institution that is determined by the
26 Department to be organized and operated exclusively for

1 educational purposes. For purposes of this exemption, "a
2 corporation, limited liability company, society, association,
3 foundation, or institution organized and operated exclusively
4 for educational purposes" means all tax-supported public
5 schools, private schools that offer systematic instruction in
6 useful branches of learning by methods common to public
7 schools and that compare favorably in their scope and
8 intensity with the course of study presented in tax-supported
9 schools, and vocational or technical schools or institutes
10 organized and operated exclusively to provide a course of
11 study of not less than 6 weeks duration and designed to prepare
12 individuals to follow a trade or to pursue a manual,
13 technical, mechanical, industrial, business, or commercial
14 occupation.

15 (22) Beginning January 1, 2000, personal property,
16 including food, purchased through fundraising events for the
17 benefit of a public or private elementary or secondary school,
18 a group of those schools, or one or more school districts if
19 the events are sponsored by an entity recognized by the school
20 district that consists primarily of volunteers and includes
21 parents and teachers of the school children. This paragraph
22 does not apply to fundraising events (i) for the benefit of
23 private home instruction or (ii) for which the fundraising
24 entity purchases the personal property sold at the events from
25 another individual or entity that sold the property for the
26 purpose of resale by the fundraising entity and that profits

1 from the sale to the fundraising entity. This paragraph is
2 exempt from the provisions of Section 3-55.

3 (23) Beginning January 1, 2000 and through December 31,
4 2001, new or used automatic vending machines that prepare and
5 serve hot food and beverages, including coffee, soup, and
6 other items, and replacement parts for these machines.
7 Beginning January 1, 2002 and through June 30, 2003, machines
8 and parts for machines used in commercial, coin-operated
9 amusement and vending business if a use or occupation tax is
10 paid on the gross receipts derived from the use of the
11 commercial, coin-operated amusement and vending machines. This
12 paragraph is exempt from the provisions of Section 3-55.

13 (24) Beginning on August 2, 2001 (the effective date of
14 Public Act 92-227), computers and communications equipment
15 utilized for any hospital purpose and equipment used in the
16 diagnosis, analysis, or treatment of hospital patients sold to
17 a lessor who leases the equipment, under a lease of one year or
18 longer executed or in effect at the time of the purchase, to a
19 hospital that has been issued an active tax exemption
20 identification number by the Department under Section 1g of
21 the Retailers' Occupation Tax Act. This paragraph is exempt
22 from the provisions of Section 3-55.

23 (25) Beginning on August 2, 2001 (the effective date of
24 Public Act 92-227), personal property sold to a lessor who
25 leases the property, under a lease of one year or longer
26 executed or in effect at the time of the purchase, to a

1 governmental body that has been issued an active tax exemption
2 identification number by the Department under Section 1g of
3 the Retailers' Occupation Tax Act. This paragraph is exempt
4 from the provisions of Section 3-55.

5 (26) Beginning on January 1, 2002 and through June 30,
6 2016, tangible personal property purchased from an Illinois
7 retailer by a taxpayer engaged in centralized purchasing
8 activities in Illinois who will, upon receipt of the property
9 in Illinois, temporarily store the property in Illinois (i)
10 for the purpose of subsequently transporting it outside this
11 State for use or consumption thereafter solely outside this
12 State or (ii) for the purpose of being processed, fabricated,
13 or manufactured into, attached to, or incorporated into other
14 tangible personal property to be transported outside this
15 State and thereafter used or consumed solely outside this
16 State. The Director of Revenue shall, pursuant to rules
17 adopted in accordance with the Illinois Administrative
18 Procedure Act, issue a permit to any taxpayer in good standing
19 with the Department who is eligible for the exemption under
20 this paragraph (26). The permit issued under this paragraph
21 (26) shall authorize the holder, to the extent and in the
22 manner specified in the rules adopted under this Act, to
23 purchase tangible personal property from a retailer exempt
24 from the taxes imposed by this Act. Taxpayers shall maintain
25 all necessary books and records to substantiate the use and
26 consumption of all such tangible personal property outside of

1 the State of Illinois.

2 (27) Beginning January 1, 2008, tangible personal property
3 used in the construction or maintenance of a community water
4 supply, as defined under Section 3.145 of the Environmental
5 Protection Act, that is operated by a not-for-profit
6 corporation that holds a valid water supply permit issued
7 under Title IV of the Environmental Protection Act. This
8 paragraph is exempt from the provisions of Section 3-55.

9 (28) Tangible personal property sold to a
10 public-facilities corporation, as described in Section
11 11-65-10 of the Illinois Municipal Code, for purposes of
12 constructing or furnishing a municipal convention hall, but
13 only if the legal title to the municipal convention hall is
14 transferred to the municipality without any further
15 consideration by or on behalf of the municipality at the time
16 of the completion of the municipal convention hall or upon the
17 retirement or redemption of any bonds or other debt
18 instruments issued by the public-facilities corporation in
19 connection with the development of the municipal convention
20 hall. This exemption includes existing public-facilities
21 corporations as provided in Section 11-65-25 of the Illinois
22 Municipal Code. This paragraph is exempt from the provisions
23 of Section 3-55.

24 (29) Beginning January 1, 2010 and continuing through
25 December 31, 2029, materials, parts, equipment, components,
26 and furnishings incorporated into or upon an aircraft as part

1 of the modification, refurbishment, completion, replacement,
2 repair, or maintenance of the aircraft. This exemption
3 includes consumable supplies used in the modification,
4 refurbishment, completion, replacement, repair, and
5 maintenance of aircraft. However, until January 1, 2024, this
6 exemption excludes any materials, parts, equipment,
7 components, and consumable supplies used in the modification,
8 replacement, repair, and maintenance of aircraft engines or
9 power plants, whether such engines or power plants are
10 installed or uninstalled upon any such aircraft. "Consumable
11 supplies" include, but are not limited to, adhesive, tape,
12 sandpaper, general purpose lubricants, cleaning solution,
13 latex gloves, and protective films.

14 Beginning January 1, 2010 and continuing through December
15 31, 2023, this exemption applies only to the transfer of
16 qualifying tangible personal property incident to the
17 modification, refurbishment, completion, replacement, repair,
18 or maintenance of an aircraft by persons who (i) hold an Air
19 Agency Certificate and are empowered to operate an approved
20 repair station by the Federal Aviation Administration, (ii)
21 have a Class IV Rating, and (iii) conduct operations in
22 accordance with Part 145 of the Federal Aviation Regulations.
23 The exemption does not include aircraft operated by a
24 commercial air carrier providing scheduled passenger air
25 service pursuant to authority issued under Part 121 or Part
26 129 of the Federal Aviation Regulations. From January 1, 2024

1 through December 31, 2029, this exemption applies only to the
2 use of qualifying tangible personal property by: (A) persons
3 who modify, refurbish, complete, repair, replace, or maintain
4 aircraft and who (i) hold an Air Agency Certificate and are
5 empowered to operate an approved repair station by the Federal
6 Aviation Administration, (ii) have a Class IV Rating, and
7 (iii) conduct operations in accordance with Part 145 of the
8 Federal Aviation Regulations; and (B) persons who engage in
9 the modification, replacement, repair, and maintenance of
10 aircraft engines or power plants without regard to whether or
11 not those persons meet the qualifications of item (A).

12 The changes made to this paragraph (29) by Public Act
13 98-534 are declarative of existing law. It is the intent of the
14 General Assembly that the exemption under this paragraph (29)
15 applies continuously from January 1, 2010 through December 31,
16 2024; however, no claim for credit or refund is allowed for
17 taxes paid as a result of the disallowance of this exemption on
18 or after January 1, 2015 and prior to February 5, 2020 (the
19 effective date of Public Act 101-629).

20 (30) Beginning January 1, 2017 and through December 31,
21 2026, menstrual pads, tampons, and menstrual cups.

22 (31) Tangible personal property transferred to a purchaser
23 who is exempt from tax by operation of federal law. This
24 paragraph is exempt from the provisions of Section 3-55.

25 (32) Qualified tangible personal property used in the
26 construction or operation of a data center that has been

1 granted a certificate of exemption by the Department of
2 Commerce and Economic Opportunity, whether that tangible
3 personal property is purchased by the owner, operator, or
4 tenant of the data center or by a contractor or subcontractor
5 of the owner, operator, or tenant. Data centers that would
6 have qualified for a certificate of exemption prior to January
7 1, 2020 had Public Act 101-31 been in effect, may apply for and
8 obtain an exemption for subsequent purchases of computer
9 equipment or enabling software purchased or leased to upgrade,
10 supplement, or replace computer equipment or enabling software
11 purchased or leased in the original investment that would have
12 qualified.

13 The Department of Commerce and Economic Opportunity shall
14 grant a certificate of exemption under this item (32) to
15 qualified data centers as defined by Section 605-1025 of the
16 Department of Commerce and Economic Opportunity Law of the
17 Civil Administrative Code of Illinois.

18 For the purposes of this item (32):

19 "Data center" means a building or a series of
20 buildings rehabilitated or constructed to house working
21 servers in one physical location or multiple sites within
22 the State of Illinois.

23 "Qualified tangible personal property" means:
24 electrical systems and equipment; climate control and
25 chilling equipment and systems; mechanical systems and
26 equipment; monitoring and secure systems; emergency

1 generators; hardware; computers; servers; data storage
2 devices; network connectivity equipment; racks; cabinets;
3 telecommunications cabling infrastructure; raised floor
4 systems; peripheral components or systems; software;
5 mechanical, electrical, or plumbing systems; battery
6 systems; cooling systems and towers; temperature control
7 systems; other cabling; and other data center
8 infrastructure equipment and systems necessary to operate
9 qualified tangible personal property, including fixtures;
10 and component parts of any of the foregoing, including
11 installation, maintenance, repair, refurbishment, and
12 replacement of qualified tangible personal property to
13 generate, transform, transmit, distribute, or manage
14 electricity necessary to operate qualified tangible
15 personal property; and all other tangible personal
16 property that is essential to the operations of a computer
17 data center. The term "qualified tangible personal
18 property" also includes building materials physically
19 incorporated into ~~in to~~ the qualifying data center. To
20 document the exemption allowed under this Section, the
21 retailer must obtain from the purchaser a copy of the
22 certificate of eligibility issued by the Department of
23 Commerce and Economic Opportunity.

24 This item (32) is exempt from the provisions of Section
25 3-55.

26 (33) Beginning July 1, 2022, breast pumps, breast pump

1 collection and storage supplies, and breast pump kits. This
2 item (33) is exempt from the provisions of Section 3-55. As
3 used in this item (33):

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 (34) Tangible personal property sold by or on behalf of
17 the State Treasurer pursuant to the Revised Uniform Unclaimed
18 Property Act. This item (34) is exempt from the provisions of
19 Section 3-55.

20 (35) 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 member
25 of the armed forces must complete, at the point of sale, a form
26 prescribed by the Department of Revenue documenting that the

1 transaction is eligible for the exemption under this
2 paragraph. Retailers must keep the form as documentation of
3 the exemption in their records for a period of not less than 6
4 years. "Armed forces of the United States" means the United
5 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
6 This paragraph is exempt from the provisions of Section 3-55.

7 (36) Beginning on July 1, 2024, food prepared for
8 immediate consumption and transferred incident to a sale of
9 service subject to this Act or the Service Occupation Tax Act
10 by an entity licensed under the Hospital Licensing Act, the
11 Nursing Home Care Act, the Assisted Living and Shared Housing
12 Act, the ID/DD Community Care Act, the MC/DD Act, the
13 Specialized Mental Health Rehabilitation Act of 2013, or the
14 Child Care Act of 1969 or an entity that holds a permit issued
15 pursuant to the Life Care Facilities Act. This item (36) is
16 exempt from the provisions of Section 3-55.

17 (37) Beginning on July 1, 2024, food for human consumption
18 that is to be consumed off the premises where it is sold (other
19 than alcoholic beverages, food consisting of or infused with
20 adult use cannabis, soft drinks, and food that has been
21 prepared for immediate consumption) This item (37) is exempt
22 from the provisions of Section 3-55.

23 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
24 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
25 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
26 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,

1 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
2 revised 12-12-23.)

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

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

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

1 With respect to gasohol, as defined in the Use Tax Act, the
2 tax imposed by this Act shall apply to (i) 70% of the cost
3 price of property transferred as an incident to the sale of
4 service on or after January 1, 1990, and before July 1, 2003,
5 (ii) 80% of the selling price of property transferred as an
6 incident to the sale of service on or after July 1, 2003 and on
7 or before July 1, 2017, (iii) 100% of the selling price of
8 property transferred as an incident to the sale of service
9 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
10 the selling price of property transferred as an incident to
11 the sale of service on or after January 1, 2024 and on or
12 before December 31, 2028, and (v) 100% of the selling price of
13 property transferred as an incident to the sale of service
14 after December 31, 2028. If, at any time, however, the tax
15 under this Act on sales of gasohol, as defined in the Use Tax
16 Act, is imposed at the rate of 1.25%, then the tax imposed by
17 this Act applies to 100% of the proceeds of sales of gasohol
18 made during that time.

19 With respect to mid-range ethanol blends, as defined in
20 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
21 applies to (i) 80% of the selling price of property
22 transferred as an incident to the sale of service on or after
23 January 1, 2024 and on or before December 31, 2028 and (ii)
24 100% of the selling price of property transferred as an
25 incident to the sale of service after December 31, 2028. If, at
26 any time, however, the tax under this Act on sales of mid-range

1 ethanol blends is imposed at the rate of 1.25%, then the tax
2 imposed by this Act applies to 100% of the selling price of
3 mid-range ethanol blends transferred as an incident to the
4 sale of service 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 selling price of property transferred as an incident to
8 the sale of service on or after July 1, 2003 and on or before
9 December 31, 2028 but applies to 100% of the selling price
10 thereafter.

11 With respect to biodiesel blends, as defined in the Use
12 Tax Act, with no less than 1% and no more than 10% biodiesel,
13 the tax imposed by this Act applies to (i) 80% of the selling
14 price of property transferred as an incident to the sale of
15 service on or after July 1, 2003 and on or before December 31,
16 2018 and (ii) 100% of the proceeds of the selling price after
17 December 31, 2018 and before January 1, 2024. On and after
18 January 1, 2024 and on or before December 31, 2030, the
19 taxation of biodiesel, renewable diesel, and biodiesel blends
20 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
21 at any time, however, the tax under this Act on sales of
22 biodiesel blends, as defined in the Use Tax Act, with no less
23 than 1% and no more than 10% biodiesel is imposed at the rate
24 of 1.25%, then the tax imposed by this Act applies to 100% of
25 the proceeds of sales of biodiesel blends with no less than 1%
26 and no more than 10% biodiesel made during that time.

1 With respect to biodiesel, as defined in the Use Tax Act,
2 and biodiesel blends, as defined in the Use Tax Act, with more
3 than 10% but no more than 99% biodiesel material, the tax
4 imposed by this Act does not apply to the proceeds of the
5 selling price of property transferred as an incident to the
6 sale of service on or after July 1, 2003 and on or before
7 December 31, 2023. On and after January 1, 2024 and on or
8 before December 31, 2030, the taxation of biodiesel, renewable
9 diesel, and biodiesel blends shall be as provided in Section
10 3-5.1 of the Use Tax Act.

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

21 Until July 1, 2022 and from beginning again on July 1, 2023
22 through June 30, 2024, the tax shall be imposed at the rate of
23 1% on food prepared for immediate consumption and transferred
24 incident to a sale of service subject to this Act or the
25 Service Use Tax Act by an entity licensed under the Hospital
26 Licensing Act, the Nursing Home Care Act, the Assisted Living

1 and Shared Housing Act, the ID/DD Community Care Act, the
2 MC/DD Act, the Specialized Mental Health Rehabilitation Act of
3 2013, or the Child Care Act of 1969⁷, or an entity that holds a
4 permit issued pursuant to the Life Care Facilities Act. Until
5 July 1, 2022 and from beginning again on July 1, 2023 through
6 June 30, 2024, the tax shall also be imposed at the rate of 1%
7 on 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, soft
10 drinks, and food that has been prepared for immediate
11 consumption and is not otherwise included in this paragraph).

12 From Beginning on July 1, 2022 through June 30, 2023, and
13 on and after July 1, 2024, and until July 1, 2023, the tax
14 shall be imposed at the rate of 0% on food prepared for
15 immediate consumption and transferred incident to a sale of
16 service subject to this Act or the Service Use Tax Act by an
17 entity licensed under the Hospital Licensing Act, the Nursing
18 Home Care Act, the Assisted Living and Shared Housing Act, the
19 ID/DD Community Care Act, the MC/DD Act, the Specialized
20 Mental Health Rehabilitation Act of 2013, or the Child Care
21 Act of 1969⁷ or an entity that holds a permit issued pursuant
22 to the Life Care Facilities Act is exempt from the tax imposed
23 by this Act. From Beginning July 1, 2022 through June 30, 2023,
24 and on and after July 1, 2024, and until July 1, 2023, the tax
25 shall also be imposed at the rate of 0% on food for human
26 consumption that is to be consumed off the premises where it is

1 sold (other than alcoholic beverages, food consisting of or
2 infused with adult use cannabis, soft drinks, and food that
3 has been prepared for immediate consumption and is not
4 otherwise included in this paragraph) is exempt from the tax
5 imposed by this Act.

6 The tax shall also be imposed at the rate of 1% on
7 prescription and nonprescription medicines, drugs, medical
8 appliances, products classified as Class III medical devices
9 by the United States Food and Drug Administration that are
10 used for cancer treatment pursuant to a prescription, as well
11 as any accessories and components related to those devices,
12 modifications to a motor vehicle for the purpose of rendering
13 it usable by a person with a disability, and insulin, blood
14 sugar testing materials, syringes, and needles used by human
15 diabetics. For the purposes of this Section, until September
16 1, 2009: the term "soft drinks" means any complete, finished,
17 ready-to-use, non-alcoholic drink, whether carbonated or not,
18 including, but not limited to, soda water, cola, fruit juice,
19 vegetable juice, carbonated water, and all other preparations
20 commonly known as soft drinks of whatever kind or description
21 that are contained in any closed or sealed can, carton, or
22 container, regardless of size; but "soft drinks" does not
23 include coffee, tea, non-carbonated water, infant formula,
24 milk or milk products as defined in the Grade A Pasteurized
25 Milk and Milk Products Act, or drinks containing 50% or more
26 natural fruit or vegetable juice.

1 Notwithstanding any other provisions of this Act,
2 beginning September 1, 2009, "soft drinks" means non-alcoholic
3 beverages that contain natural or artificial sweeteners. "Soft
4 drinks" does not include beverages that contain milk or milk
5 products, soy, rice or similar milk substitutes, or greater
6 than 50% of vegetable or fruit juice by volume.

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

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

1 flour or requires refrigeration.

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

15 (A) a "Drug Facts" panel; or

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

19 Beginning on January 1, 2014 (the effective date of Public
20 Act 98-122), "prescription and nonprescription medicines and
21 drugs" includes medical cannabis purchased from a registered
22 dispensing organization under the Compassionate Use of Medical
23 Cannabis Program Act.

24 As used in this Section, "adult use cannabis" means
25 cannabis subject to tax under the Cannabis Cultivation
26 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law

1 and does not include cannabis subject to tax under the
2 Compassionate Use of Medical Cannabis Program Act.

3 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;
4 102-700, Article 20, Section 20-15, eff. 4-19-22; 102-700,
5 Article 60, Section 60-25, eff. 4-19-22; 103-9, eff. 6-7-23;
6 103-154, eff. 6-30-23.)

7 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

8 Sec. 9. Each serviceman required or authorized to collect
9 the tax herein imposed shall pay to the Department the amount
10 of such tax at the time when he is required to file his return
11 for the period during which such tax was collectible, less a
12 discount of 2.1% prior to January 1, 1990, and 1.75% on and
13 after January 1, 1990, or \$5 per calendar year, whichever is
14 greater, which is allowed to reimburse the serviceman for
15 expenses incurred in collecting the tax, keeping records,
16 preparing and filing returns, remitting the tax, and supplying
17 data to the Department on request. When determining the
18 discount allowed under this Section, servicemen shall include
19 the amount of tax that would have been due at the 1% rate but
20 for the 0% rate imposed under Public Act 102-700 ~~this~~
21 ~~amendatory Act of the 102nd General Assembly~~. The discount
22 under this Section is not allowed for the 1.25% portion of
23 taxes paid on aviation fuel that is subject to the revenue use
24 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
25 discount allowed under this Section is allowed only for

1 returns that are filed in the manner required by this Act. The
2 Department may disallow the discount for servicemen whose
3 certificate of registration is revoked at the time the return
4 is filed, but only if the Department's decision to revoke the
5 certificate of registration has become final.

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 serviceman, in collecting the tax may collect, for
11 each tax return period, only the tax applicable to the part of
12 the selling price actually received during such tax return
13 period.

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 of Revenue. Such return shall
19 be filed on a form prescribed by the Department and shall
20 contain such information as the Department may reasonably
21 require. The return shall include the gross receipts which
22 were received during the preceding calendar month or quarter
23 on the following items upon which tax would have been due but
24 for the 0% rate imposed under Public Act 102-700 ~~this~~
25 ~~amendatory Act of the 102nd General Assembly~~: (i) food for
26 human consumption that is to be consumed off the premises

1 where it is sold (other than alcoholic beverages, food
2 consisting of or infused with adult use cannabis, soft drinks,
3 and food that has been prepared for immediate consumption);
4 and (ii) food prepared for immediate consumption and
5 transferred incident to a sale of service subject to this Act
6 or the Service Use Tax Act by an entity licensed under the
7 Hospital Licensing Act, the Nursing Home Care Act, the
8 Assisted Living and Shared Housing Act, the ID/DD Community
9 Care Act, the MC/DD Act, the Specialized Mental Health
10 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
11 an entity that holds a permit issued pursuant to the Life Care
12 Facilities Act. The return shall also include the amount of
13 tax that would have been due on the items listed in the
14 previous sentence but for the 0% rate imposed under Public Act
15 102-700 ~~this amendatory Act of the 102nd General Assembly.~~

16 On and after January 1, 2018, with respect to servicemen
17 whose annual gross receipts average \$20,000 or more, all
18 returns required to be filed pursuant to this Act shall be
19 filed electronically. Servicemen who demonstrate that they do
20 not have access to the Internet or demonstrate hardship in
21 filing electronically may petition the Department to waive the
22 electronic filing requirement.

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

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

4 1. The name of the seller;

5 2. The address of the principal place of business from
6 which he engages in business as a serviceman in this
7 State;

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

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

14 5. The amount of tax due;

15 5-5. The signature of the taxpayer; and

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

18 Each serviceman required or authorized to collect the tax
19 herein imposed on aviation fuel acquired as an incident to the
20 purchase of a service in this State during the preceding
21 calendar month shall, instead of reporting and paying tax as
22 otherwise required by this Section, report and pay such tax on
23 a separate aviation fuel tax return. The requirements related
24 to the return shall be as otherwise provided in this Section.
25 Notwithstanding any other provisions of this Act to the
26 contrary, servicemen transferring aviation fuel incident to

1 sales of service shall file all aviation fuel tax returns and
2 shall make all aviation fuel tax payments by electronic means
3 in the manner and form required by the Department. For
4 purposes of this Section, "aviation fuel" means jet fuel and
5 aviation gasoline.

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

10 Notwithstanding any other provision of this Act to the
11 contrary, servicemen subject to tax on cannabis shall file all
12 cannabis tax returns and shall make all cannabis tax payments
13 by electronic means in the manner and form required by the
14 Department.

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

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

11 Beginning on July 1, 2023 and through December 31, 2032, a
12 serviceman may accept a Sustainable Aviation Fuel Purchase
13 Credit certification from an air common carrier-purchaser in
14 satisfaction of Service Use Tax as provided in Section 3-72 of
15 the Service Use Tax Act if the purchaser provides the
16 appropriate documentation as required by Section 3-72 of the
17 Service Use Tax Act. A Sustainable Aviation Fuel Purchase
18 Credit certification accepted by a serviceman in accordance
19 with this paragraph may be used by that serviceman to satisfy
20 service occupation tax liability (but not in satisfaction of
21 penalty or interest) in the amount claimed in the
22 certification, not to exceed 6.25% of the receipts subject to
23 tax from a sale of aviation fuel. In addition, for a sale of
24 aviation fuel to qualify to earn the Sustainable Aviation Fuel
25 Purchase Credit, servicemen must retain in their books and
26 records a certification from the producer of the aviation fuel

1 that the aviation fuel sold by the serviceman and for which a
2 sustainable aviation fuel purchase credit was earned meets the
3 definition of sustainable aviation fuel under Section 3-72 of
4 the Service Use Tax Act. The documentation must include detail
5 sufficient for the Department to determine the number of
6 gallons of sustainable aviation fuel sold.

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

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

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

24 Notwithstanding any other provision in this Act concerning
25 the time within which a serviceman may file his return, in the
26 case of any serviceman who ceases to engage in a kind of

1 business which makes him responsible for filing returns under
2 this Act, such serviceman shall file a final return under this
3 Act with the Department not more than one ~~±~~ month after
4 discontinuing such business.

5 Beginning October 1, 1993, a taxpayer who has an average
6 monthly tax liability of \$150,000 or more shall make all
7 payments required by rules of the Department by electronic
8 funds transfer. Beginning October 1, 1994, a taxpayer who has
9 an average monthly tax liability of \$100,000 or more shall
10 make all payments required by rules of the Department by
11 electronic funds transfer. Beginning October 1, 1995, a
12 taxpayer who has an average monthly tax liability of \$50,000
13 or more shall make all payments required by rules of the
14 Department by electronic funds transfer. Beginning October 1,
15 2000, a taxpayer who has an annual tax liability of \$200,000 or
16 more shall make all payments required by rules of the
17 Department by electronic funds transfer. The term "annual tax
18 liability" shall be the sum of the taxpayer's liabilities
19 under this Act, and under all other State and local occupation
20 and use tax laws administered by the Department, for the
21 immediately preceding calendar year. The term "average monthly
22 tax liability" means the sum of the taxpayer's liabilities
23 under this Act, and under all other State and local occupation
24 and use tax laws administered by the Department, for the
25 immediately preceding calendar year divided by 12. Beginning
26 on October 1, 2002, a taxpayer who has a tax liability in the

1 amount set forth in subsection (b) of Section 2505-210 of the
2 Department of Revenue Law shall make all payments required by
3 rules of the Department by electronic funds transfer.

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

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

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

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

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

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

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

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

21 Beginning January 1, 1990, each month the Department shall
22 pay into the Local Government Tax Fund the revenue realized
23 for the preceding month from the 1% tax imposed under this Act.

24 Beginning August 1, 2024, each month the State Comptroller
25 shall order transferred and the State Treasurer shall transfer
26 from the General Revenue Fund to the Local Government Tax Fund

1 an amount equal to the net revenue that would have been
2 realized during the preceding month from sales of the items
3 described in items (36) and (37) of Section 3-5 if the tax on
4 those items had been imposed at the rate of 1%.

5 Beginning January 1, 1990, each month the Department shall
6 pay into the County and Mass Transit District Fund 4% of the
7 revenue realized for the preceding month from the 6.25%
8 general rate on sales of tangible personal property other than
9 aviation fuel sold on or after December 1, 2019. This
10 exception for aviation fuel only applies for so long as the
11 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
12 47133 are binding on the State.

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

17 Beginning January 1, 1990, each month the Department shall
18 pay into the Local Government Tax Fund 16% of the revenue
19 realized for the preceding month from the 6.25% general rate
20 on transfers of tangible personal property other than aviation
21 fuel sold on or after December 1, 2019. This exception for
22 aviation fuel only applies 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 For aviation fuel sold on or after December 1, 2019, each
26 month the Department shall pay into the State Aviation Program

1 Fund 20% of the net revenue realized for the preceding month
2 from the 6.25% general rate on the selling price of aviation
3 fuel, less an amount estimated by the Department to be
4 required for refunds of the 20% portion of the tax on aviation
5 fuel under this Act, which amount shall be deposited into the
6 Aviation Fuel Sales Tax Refund Fund. The Department shall only
7 pay moneys into the State Aviation Program Fund and the
8 Aviation Fuel Sales Tax Refund Fund under this Act for so long
9 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
10 U.S.C. 47133 are binding on the State.

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

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 Use Tax
25 Act, and the Retailers' Occupation Tax Act an amount equal to
26 the average monthly deficit in the Underground Storage Tank

1 Fund during the prior year, as certified annually by the
2 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 Use Tax Act, and the Retailers'
5 Occupation Tax Act shall not exceed \$18,000,000 in any State
6 fiscal year. As used in this paragraph, the "average monthly
7 deficit" shall be equal to the difference between the average
8 monthly claims for payment by the fund and the average monthly
9 revenues deposited into the fund, excluding payments made
10 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, the Service
13 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,
14 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 Account in
12 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 Build Illinois Fund, and the McCormick Place
7 Expansion Project Fund pursuant to the preceding paragraphs or
8 in any amendments thereto hereafter enacted, for aviation fuel
9 sold on or after December 1, 2019, the Department shall each
10 month deposit into the Aviation Fuel Sales Tax Refund Fund an
11 amount estimated by the Department to be required for refunds
12 of the 80% portion of the tax on aviation fuel under this Act.
13 The Department shall only deposit moneys into the Aviation
14 Fuel Sales Tax Refund Fund under this paragraph for so long as
15 the revenue use requirements of 49 U.S.C. 47107(b) and 49
16 U.S.C. 47133 are binding on the State.

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

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

1 Illinois Tax Increment Fund pursuant to the preceding
2 paragraphs or in any amendments to this Section hereafter
3 enacted, beginning on the first day of the first calendar
4 month to occur on or after August 26, 2014 (the effective date
5 of Public Act 98-1098), each month, from the collections made
6 under Section 9 of the Use Tax Act, Section 9 of the Service
7 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
8 Section 3 of the Retailers' Occupation Tax Act, the Department
9 shall pay into the Tax Compliance and Administration Fund, to
10 be used, subject to appropriation, to fund additional auditors
11 and compliance personnel at the Department of Revenue, an
12 amount equal to 1/12 of 5% of 80% of the cash receipts
13 collected during the preceding fiscal year by the Audit Bureau
14 of the Department under the Use Tax Act, the Service Use Tax
15 Act, the Service Occupation Tax Act, the Retailers' Occupation
16 Tax Act, and associated local occupation and use taxes
17 administered by the Department.

18 Subject to payments of amounts into the Build Illinois
19 Fund, the McCormick Place Expansion Project Fund, the Illinois
20 Tax Increment Fund, and the Tax Compliance and Administration
21 Fund as provided in this Section, beginning on July 1, 2018 the
22 Department shall pay each month into the Downstate Public
23 Transportation Fund the moneys required to be so paid under
24 Section 2-3 of the Downstate Public Transportation Act.

25 Subject to successful execution and delivery of a
26 public-private agreement between the public agency and private

1 entity and completion of the civic build, beginning on July 1,
 2 2023, of the remainder of the moneys received by the
 3 Department under the Use Tax Act, the Service Use Tax Act, the
 4 Service Occupation Tax Act, and this Act, the Department shall
 5 deposit the following specified deposits in the aggregate from
 6 collections under the Use Tax Act, the Service Use Tax Act, the
 7 Service Occupation Tax Act, and the Retailers' Occupation Tax
 8 Act, as required under Section 8.25g of the State Finance Act
 9 for distribution consistent with the Public-Private
 10 Partnership for Civic and Transit Infrastructure Project Act.
 11 The moneys received by the Department pursuant to this Act and
 12 required to be deposited into the Civic and Transit
 13 Infrastructure Fund are subject to the pledge, claim and
 14 charge set forth in Section 25-55 of the Public-Private
 15 Partnership for Civic and Transit Infrastructure Project Act.
 16 As used in this paragraph, "civic build", "private entity",
 17 "public-private agreement", and "public agency" have the
 18 meanings provided in Section 25-10 of the Public-Private
 19 Partnership for Civic and Transit Infrastructure Project Act.

20	Fiscal Year.....	Total Deposit
21	2024	\$200,000,000
22	2025	\$206,000,000
23	2026	\$212,200,000
24	2027	\$218,500,000
25	2028	\$225,100,000
26	2029	\$288,700,000

1	2030	.....	\$298,900,000
2	2031	.....	\$309,300,000
3	2032	.....	\$320,100,000
4	2033	.....	\$331,200,000
5	2034	.....	\$341,200,000
6	2035	.....	\$351,400,000
7	2036	.....	\$361,900,000
8	2037	.....	\$372,800,000
9	2038	.....	\$384,000,000
10	2039	.....	\$395,500,000
11	2040	.....	\$407,400,000
12	2041	.....	\$419,600,000
13	2042	.....	\$432,200,000
14	2043	.....	\$445,100,000

15 Beginning July 1, 2021 and until July 1, 2022, subject to
16 the payment of amounts into the County and Mass Transit
17 District Fund, the Local Government Tax Fund, the Build
18 Illinois Fund, the McCormick Place Expansion Project Fund, the
19 Illinois Tax Increment Fund, and the Tax Compliance and
20 Administration Fund as provided in this Section, the
21 Department shall pay each month into the Road Fund the amount
22 estimated to represent 16% of the net revenue realized from
23 the taxes imposed on motor fuel and gasohol. Beginning July 1,
24 2022 and until July 1, 2023, 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 32% of the net
5 revenue realized from the taxes imposed on motor fuel and
6 gasohol. Beginning July 1, 2023 and until July 1, 2024,
7 subject to the payment of amounts into the County and Mass
8 Transit District Fund, the Local Government Tax Fund, the
9 Build Illinois Fund, the McCormick Place Expansion Project
10 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
11 and Administration Fund as provided in this Section, the
12 Department shall pay each month into the Road Fund the amount
13 estimated to represent 48% of the net revenue realized from
14 the taxes imposed on motor fuel and gasohol. Beginning July 1,
15 2024 and until July 1, 2025, subject to the payment of amounts
16 into the County and Mass Transit District Fund, the Local
17 Government Tax Fund, the Build Illinois Fund, the McCormick
18 Place Expansion Project Fund, the Illinois Tax Increment Fund,
19 and the Tax Compliance and Administration Fund as provided in
20 this Section, the Department shall pay each month into the
21 Road Fund the amount estimated to represent 64% of the net
22 revenue realized from the taxes imposed on motor fuel and
23 gasohol. Beginning on July 1, 2025, subject to the payment of
24 amounts into the County and Mass Transit District Fund, the
25 Local Government Tax Fund, the Build Illinois Fund, the
26 McCormick Place Expansion Project Fund, the Illinois Tax

1 Increment Fund, and the Tax Compliance and Administration Fund
2 as provided in this Section, the Department shall pay each
3 month into the Road Fund the amount estimated to represent 80%
4 of the net revenue realized from the taxes imposed on motor
5 fuel and gasohol. As used in this paragraph "motor fuel" has
6 the meaning given to that term in Section 1.1 of the Motor Fuel
7 Tax Law, and "gasohol" has the meaning given to that term in
8 Section 3-40 of the Use Tax Act.

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

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

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

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

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

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

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

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

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

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

24 For greater simplicity of administration, it shall be
25 permissible for manufacturers, importers and wholesalers whose
26 products are sold by numerous servicemen in Illinois, and who

1 wish to do so, to assume the responsibility for accounting and
2 paying to the Department all tax accruing under this Act with
3 respect to such sales, if the servicemen who are affected do
4 not make written objection to the Department to this
5 arrangement.

6 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
7 103-363, eff. 7-28-23; revised 9-25-23.)

8 Section 25. The Retailers' Occupation Tax Act is amended
9 by changing Sections 2-5, 2-10, and 3 as follows:

10 (35 ILCS 120/2-5)

11 Sec. 2-5. Exemptions. Gross receipts from proceeds from
12 the sale of the following tangible personal property are
13 exempt from the tax imposed by this Act:

14 (1) Farm chemicals.

15 (2) Farm machinery and equipment, both new and used,
16 including that manufactured on special order, certified by
17 the purchaser to be used primarily for production
18 agriculture or State or federal agricultural programs,
19 including individual replacement parts for the machinery
20 and equipment, including machinery and equipment purchased
21 for lease, and including implements of husbandry defined
22 in Section 1-130 of the Illinois Vehicle Code, farm
23 machinery and agricultural chemical and fertilizer
24 spreaders, and nurse wagons required to be registered

1 under Section 3-809 of the Illinois Vehicle Code, but
2 excluding other motor vehicles required to be registered
3 under the Illinois Vehicle Code. Horticultural polyhouses
4 or hoop houses used for propagating, growing, or
5 overwintering plants shall be considered farm machinery
6 and equipment under this item (2). Agricultural chemical
7 tender tanks and dry boxes shall include units sold
8 separately from a motor vehicle required to be licensed
9 and units sold mounted on a motor vehicle required to be
10 licensed, if the selling price of the tender is separately
11 stated.

12 Farm machinery and equipment shall include precision
13 farming equipment that is installed or purchased to be
14 installed on farm machinery and equipment including, but
15 not limited to, tractors, harvesters, sprayers, planters,
16 seeders, or spreaders. Precision farming equipment
17 includes, but is not limited to, soil testing sensors,
18 computers, monitors, software, global positioning and
19 mapping systems, and other such equipment.

20 Farm machinery and equipment also includes computers,
21 sensors, software, and related equipment used primarily in
22 the computer-assisted operation of production agriculture
23 facilities, equipment, and activities such as, but not
24 limited to, the collection, monitoring, and correlation of
25 animal and crop data for the purpose of formulating animal
26 diets and agricultural chemicals.

1 Beginning on January 1, 2024, farm machinery and
2 equipment also includes electrical power generation
3 equipment used primarily for production agriculture.

4 This item (2) is exempt from the provisions of Section
5 2-70.

6 (3) Until July 1, 2003, distillation machinery and
7 equipment, sold as a unit or kit, assembled or installed
8 by the retailer, certified by the user to be used only for
9 the production of ethyl alcohol that will be used for
10 consumption as motor fuel or as a component of motor fuel
11 for the personal use of the user, and not subject to sale
12 or resale.

13 (4) Until July 1, 2003 and beginning again September
14 1, 2004 through August 30, 2014, graphic arts machinery
15 and equipment, including repair and replacement parts,
16 both new and used, and including that manufactured on
17 special order or purchased for lease, certified by the
18 purchaser to be used primarily for graphic arts
19 production. Equipment includes chemicals or chemicals
20 acting as catalysts but only if the chemicals or chemicals
21 acting as catalysts effect a direct and immediate change
22 upon a graphic arts product. Beginning on July 1, 2017,
23 graphic arts machinery and equipment is included in the
24 manufacturing and assembling machinery and equipment
25 exemption under paragraph (14).

26 (5) A motor vehicle that is used for automobile

1 renting, as defined in the Automobile Renting Occupation
2 and Use Tax Act. This paragraph is exempt from the
3 provisions of Section 2-70.

4 (6) Personal property sold by a teacher-sponsored
5 student organization affiliated with an elementary or
6 secondary school located in Illinois.

7 (7) Until July 1, 2003, proceeds of that portion of
8 the selling price of a passenger car the sale of which is
9 subject to the Replacement Vehicle Tax.

10 (8) Personal property sold to an Illinois county fair
11 association for use in conducting, operating, or promoting
12 the county fair.

13 (9) Personal property sold to a not-for-profit arts or
14 cultural organization that establishes, by proof required
15 by the Department by rule, that it has received an
16 exemption under Section 501(c)(3) of the Internal Revenue
17 Code and that is organized and operated primarily for the
18 presentation or support of arts or cultural programming,
19 activities, or services. These organizations include, but
20 are not limited to, music and dramatic arts organizations
21 such as symphony orchestras and theatrical groups, arts
22 and cultural service organizations, local arts councils,
23 visual arts organizations, and media arts organizations.
24 On and after July 1, 2001 (the effective date of Public Act
25 92-35), however, an entity otherwise eligible for this
26 exemption shall not make tax-free purchases unless it has

1 an active identification number issued by the Department.

2 (10) Personal property sold by a corporation, society,
3 association, foundation, institution, or organization,
4 other than a limited liability company, that is organized
5 and operated as a not-for-profit service enterprise for
6 the benefit of persons 65 years of age or older if the
7 personal property was not purchased by the enterprise for
8 the purpose of resale by the enterprise.

9 (11) Except as otherwise provided in this Section,
10 personal property sold to a governmental body, to a
11 corporation, society, association, foundation, or
12 institution organized and operated exclusively for
13 charitable, religious, or educational purposes, or to a
14 not-for-profit corporation, society, association,
15 foundation, institution, or organization that has no
16 compensated officers or employees and that is organized
17 and operated primarily for the recreation of persons 55
18 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. On and after July 1,
22 1987, however, no entity otherwise eligible for this
23 exemption shall make tax-free purchases unless it has an
24 active identification number issued by the Department.

25 (12) (Blank).

26 (12-5) On and after July 1, 2003 and through June 30,

1 2004, motor vehicles of the second division with a gross
2 vehicle weight in excess of 8,000 pounds that are subject
3 to the commercial distribution fee imposed under Section
4 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
5 2004 and through June 30, 2005, the use in this State of
6 motor vehicles of the second division: (i) with a gross
7 vehicle weight rating in excess of 8,000 pounds; (ii) that
8 are subject to the commercial distribution fee imposed
9 under Section 3-815.1 of the Illinois Vehicle Code; and
10 (iii) that are primarily used for commercial purposes.
11 Through June 30, 2005, this exemption applies to repair
12 and replacement parts added after the initial purchase of
13 such a motor vehicle if that motor vehicle is used in a
14 manner that would qualify for the rolling stock exemption
15 otherwise provided for in this Act. For purposes of this
16 paragraph, "used for commercial purposes" means the
17 transportation of persons or property in furtherance of
18 any commercial or industrial enterprise whether for-hire
19 or not.

20 (13) Proceeds from sales to owners, lessors, or
21 shippers of tangible personal property that is utilized by
22 interstate carriers for hire for use as rolling stock
23 moving in interstate commerce and equipment operated by a
24 telecommunications provider, licensed as a common carrier
25 by the Federal Communications Commission, which is
26 permanently installed in or affixed to aircraft moving in

1 interstate commerce.

2 (14) Machinery and equipment that will be used by the
3 purchaser, or a lessee of the purchaser, primarily in the
4 process of manufacturing or assembling tangible personal
5 property for wholesale or retail sale or lease, whether
6 the sale or lease is made directly by the manufacturer or
7 by some other person, whether the materials used in the
8 process are owned by the manufacturer or some other
9 person, or whether the sale or lease is made apart from or
10 as an incident to the seller's engaging in the service
11 occupation of producing machines, tools, dies, jigs,
12 patterns, gauges, or other similar items of no commercial
13 value on special order for a particular purchaser. The
14 exemption provided by this paragraph (14) does not include
15 machinery and equipment used in (i) the generation of
16 electricity for wholesale or retail sale; (ii) the
17 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
20 of water for wholesale or retail sale that is delivered to
21 customers through pipes, pipelines, or mains. The
22 provisions of Public Act 98-583 are declaratory of
23 existing law as to the meaning and scope of this
24 exemption. Beginning on July 1, 2017, the exemption
25 provided by this paragraph (14) includes, but is not
26 limited to, graphic arts machinery and equipment, as

1 defined in paragraph (4) of this Section.

2 (15) Proceeds of mandatory service charges separately
3 stated on customers' bills for purchase and consumption of
4 food and beverages, to the extent that the proceeds of the
5 service charge are in fact turned over as tips or as a
6 substitute for tips to the employees who participate
7 directly in preparing, serving, hosting or cleaning up the
8 food or beverage function with respect to which the
9 service charge is imposed.

10 (16) Tangible personal property sold to a purchaser if
11 the purchaser is exempt from use tax by operation of
12 federal law. This paragraph is exempt from the provisions
13 of Section 2-70.

14 (17) Tangible personal property sold to a common
15 carrier by rail or motor that receives the physical
16 possession of the property in Illinois and that transports
17 the property, or shares with another common carrier in the
18 transportation of the property, out of Illinois on a
19 standard uniform bill of lading showing the seller of the
20 property as the shipper or consignor of the property to a
21 destination outside Illinois, for use outside Illinois.

22 (18) Legal tender, currency, medallions, or gold or
23 silver coinage issued by the State of Illinois, the
24 government of the United States of America, or the
25 government of any foreign country, and bullion.

26 (19) Until July 1, 2003, oil field exploration,

1 drilling, and production equipment, including (i) rigs and
2 parts of rigs, rotary rigs, cable tool rigs, and workover
3 rigs, (ii) pipe and tubular goods, including casing and
4 drill strings, (iii) pumps and pump-jack units, (iv)
5 storage tanks and flow lines, (v) any individual
6 replacement part for oil field exploration, drilling, and
7 production equipment, and (vi) machinery and equipment
8 purchased for lease; but excluding motor vehicles required
9 to be registered under the Illinois Vehicle Code.

10 (20) Photoprocessing machinery and equipment,
11 including repair and replacement parts, both new and used,
12 including that manufactured on special order, certified by
13 the purchaser to be used primarily for photoprocessing,
14 and including photoprocessing machinery and equipment
15 purchased for lease.

16 (21) Until July 1, 2028, coal and aggregate
17 exploration, mining, off-highway hauling, processing,
18 maintenance, and reclamation equipment, including
19 replacement parts and equipment, and including equipment
20 purchased for lease, but excluding motor vehicles required
21 to be registered under the Illinois Vehicle Code. The
22 changes made to this Section by Public Act 97-767 apply on
23 and after July 1, 2003, but no claim for credit or refund
24 is allowed on or after August 16, 2013 (the effective date
25 of Public Act 98-456) for such taxes paid during the
26 period beginning July 1, 2003 and ending on August 16,

1 2013 (the effective date of Public Act 98-456).

2 (22) Until June 30, 2013, fuel and petroleum products
3 sold to or used by an air carrier, certified by the carrier
4 to be used for consumption, shipment, or storage in the
5 conduct of its business as an air common carrier, for a
6 flight destined for or returning from a location or
7 locations outside the United States without regard to
8 previous or subsequent domestic stopovers.

9 Beginning July 1, 2013, fuel and petroleum products
10 sold to or used by an air carrier, certified by the carrier
11 to be used for consumption, shipment, or storage in the
12 conduct of its business as an air common carrier, for a
13 flight that (i) is engaged in foreign trade or is engaged
14 in trade between the United States and any of its
15 possessions and (ii) transports at least one individual or
16 package for hire from the city of origination to the city
17 of final destination on the same aircraft, without regard
18 to a change in the flight number of that aircraft.

19 (23) A transaction in which the purchase order is
20 received by a florist who is located outside Illinois, but
21 who has a florist located in Illinois deliver the property
22 to the purchaser or the purchaser's donee in Illinois.

23 (24) Fuel consumed or used in the operation of ships,
24 barges, or vessels that are used primarily in or for the
25 transportation of property or the conveyance of persons
26 for hire on rivers bordering on this State if the fuel is

1 delivered by the seller to the purchaser's barge, ship, or
2 vessel while it is afloat upon that bordering river.

3 (25) Except as provided in item (25-5) of this
4 Section, a motor vehicle sold in this State to a
5 nonresident even though the motor vehicle is delivered to
6 the nonresident in this State, if the motor vehicle is not
7 to be titled in this State, and if a drive-away permit is
8 issued to the motor vehicle as provided in Section 3-603
9 of the Illinois Vehicle Code or if the nonresident
10 purchaser has vehicle registration plates to transfer to
11 the motor vehicle upon returning to his or her home state.
12 The issuance of the drive-away permit or having the
13 out-of-state registration plates to be transferred is
14 prima facie evidence that the motor vehicle will not be
15 titled in this State.

16 (25-5) The exemption under item (25) does not apply if
17 the state in which the motor vehicle will be titled does
18 not allow a reciprocal exemption for a motor vehicle sold
19 and delivered in that state to an Illinois resident but
20 titled in Illinois. The tax collected under this Act on
21 the sale of a motor vehicle in this State to a resident of
22 another state that does not allow a reciprocal exemption
23 shall be imposed at a rate equal to the state's rate of tax
24 on taxable property in the state in which the purchaser is
25 a resident, except that the tax shall not exceed the tax
26 that would otherwise be imposed under this Act. At the

1 time of the sale, the purchaser shall execute a statement,
2 signed under penalty of perjury, of his or her intent to
3 title the vehicle in the state in which the purchaser is a
4 resident within 30 days after the sale and of the fact of
5 the payment to the State of Illinois of tax in an amount
6 equivalent to the state's rate of tax on taxable property
7 in his or her state of residence and shall submit the
8 statement to the appropriate tax collection agency in his
9 or her state of residence. In addition, the retailer must
10 retain a signed copy of the statement in his or her
11 records. Nothing in this item shall be construed to
12 require the removal of the vehicle from this state
13 following the filing of an intent to title the vehicle in
14 the purchaser's state of residence if the purchaser titles
15 the vehicle in his or her state of residence within 30 days
16 after the date of sale. The tax collected under this Act in
17 accordance with this item (25-5) shall be proportionately
18 distributed as if the tax were collected at the 6.25%
19 general rate imposed under this Act.

20 (25-7) Beginning on July 1, 2007, no tax is imposed
21 under this Act on the sale of an aircraft, as defined in
22 Section 3 of the Illinois Aeronautics Act, if all of the
23 following conditions are met:

24 (1) the aircraft leaves this State within 15 days
25 after the later of either the issuance of the final
26 billing for the sale of the aircraft, or the

1 authorized approval for return to service, completion
2 of the maintenance record entry, and completion of the
3 test flight and ground test for inspection, as
4 required by 14 CFR 91.407;

5 (2) the aircraft is not based or registered in
6 this State after the sale of the aircraft; and

7 (3) the seller retains in his or her books and
8 records and provides to the Department a signed and
9 dated certification from the purchaser, on a form
10 prescribed by the Department, certifying that the
11 requirements of this item (25-7) are met. The
12 certificate must also include the name and address of
13 the purchaser, the address of the location where the
14 aircraft is to be titled or registered, the address of
15 the primary physical location of the aircraft, and
16 other information that the Department may reasonably
17 require.

18 For purposes of this item (25-7):

19 "Based in this State" means hangared, stored, or
20 otherwise used, excluding post-sale customizations as
21 defined in this Section, for 10 or more days in each
22 12-month period immediately following the date of the sale
23 of the aircraft.

24 "Registered in this State" means an aircraft
25 registered with the Department of Transportation,
26 Aeronautics Division, or titled or registered with the

1 Federal Aviation Administration to an address located in
2 this State.

3 This paragraph (25-7) is exempt from the provisions of
4 Section 2-70.

5 (26) Semen used for artificial insemination of
6 livestock for direct agricultural production.

7 (27) Horses, or interests in horses, registered with
8 and meeting the requirements of any of the Arabian Horse
9 Club Registry of America, Appaloosa Horse Club, American
10 Quarter Horse Association, United States Trotting
11 Association, or Jockey Club, as appropriate, used for
12 purposes of breeding or racing for prizes. This item (27)
13 is exempt from the provisions of Section 2-70, and the
14 exemption provided for under this item (27) applies for
15 all periods beginning May 30, 1995, but no claim for
16 credit or refund is allowed on or after January 1, 2008
17 (the effective date of Public Act 95-88) for such taxes
18 paid during the period beginning May 30, 2000 and ending
19 on January 1, 2008 (the effective date of Public Act
20 95-88).

21 (28) Computers and communications equipment utilized
22 for any hospital purpose and equipment used in the
23 diagnosis, analysis, or treatment of hospital patients
24 sold to a lessor who leases the equipment, under a lease of
25 one year or longer executed or in effect at the time of the
26 purchase, to a hospital that has been issued an active tax

1 exemption identification number by the Department under
2 Section 1g of this Act.

3 (29) Personal property sold to a lessor who leases the
4 property, under a lease of one year or longer executed or
5 in effect at the time of the purchase, to a governmental
6 body that has been issued an active tax exemption
7 identification number by the Department under Section 1g
8 of this Act.

9 (30) Beginning with taxable years ending on or after
10 December 31, 1995 and ending with taxable years ending on
11 or before December 31, 2004, personal property that is
12 donated for disaster relief to be used in a State or
13 federally declared disaster area in Illinois or bordering
14 Illinois by a manufacturer or retailer that is registered
15 in this State to a corporation, society, association,
16 foundation, or institution that has been issued a sales
17 tax exemption identification number by the Department that
18 assists victims of the disaster who reside within the
19 declared disaster area.

20 (31) Beginning with taxable years ending on or after
21 December 31, 1995 and ending with taxable years ending on
22 or before December 31, 2004, personal property that is
23 used in the performance of infrastructure repairs in this
24 State, including, but not limited to, municipal roads and
25 streets, access roads, bridges, sidewalks, waste disposal
26 systems, water and sewer line extensions, water

1 distribution and purification facilities, storm water
2 drainage and retention facilities, and sewage treatment
3 facilities, resulting from a State or federally declared
4 disaster in Illinois or bordering Illinois when such
5 repairs are initiated on facilities located in the
6 declared disaster area within 6 months after the disaster.

7 (32) Beginning July 1, 1999, game or game birds sold
8 at a "game breeding and hunting preserve area" as that
9 term is used in the Wildlife Code. This paragraph is
10 exempt from the provisions of Section 2-70.

11 (33) A motor vehicle, as that term is defined in
12 Section 1-146 of the Illinois Vehicle Code, that is
13 donated to a corporation, limited liability company,
14 society, association, foundation, or institution that is
15 determined by the Department to be organized and operated
16 exclusively for educational purposes. For purposes of this
17 exemption, "a corporation, limited liability company,
18 society, association, foundation, or institution organized
19 and operated exclusively for educational purposes" means
20 all tax-supported public schools, private schools that
21 offer systematic instruction in useful branches of
22 learning by methods common to public schools and that
23 compare favorably in their scope and intensity with the
24 course of study presented in tax-supported schools, and
25 vocational or technical schools or institutes organized
26 and operated exclusively to provide a course of study of

1 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 (34) Beginning January 1, 2000, personal property,
6 including food, purchased through fundraising events for
7 the benefit of a public or private elementary or secondary
8 school, a group of those schools, or one or more school
9 districts if the events are sponsored by an entity
10 recognized by the school district that consists primarily
11 of volunteers and includes parents and teachers of the
12 school children. This paragraph does not apply to
13 fundraising events (i) for the benefit of private home
14 instruction or (ii) for which the fundraising entity
15 purchases the personal property sold at the events from
16 another individual or entity that sold the property for
17 the purpose of resale by the fundraising entity and that
18 profits from the sale to the fundraising entity. This
19 paragraph is exempt from the provisions of Section 2-70.

20 (35) Beginning January 1, 2000 and through December
21 31, 2001, new or used automatic vending machines that
22 prepare and serve hot food and beverages, including
23 coffee, soup, and other items, and replacement parts for
24 these machines. Beginning January 1, 2002 and through June
25 30, 2003, machines and parts for machines used in
26 commercial, coin-operated amusement and vending business

1 if a use or occupation tax is paid on the gross receipts
2 derived from the use of the commercial, coin-operated
3 amusement and vending machines. This paragraph is exempt
4 from the provisions of Section 2-70.

5 (35-5) Beginning August 23, 2001 and through June 30,
6 2016, food for human consumption that is to be consumed
7 off the premises where it is sold (other than alcoholic
8 beverages, soft drinks, and food that has been prepared
9 for immediate consumption) and prescription and
10 nonprescription medicines, drugs, medical appliances, and
11 insulin, urine testing materials, syringes, and needles
12 used by diabetics, for human use, when purchased for use
13 by a person receiving medical assistance under Article V
14 of the Illinois Public Aid Code who resides in a licensed
15 long-term care facility, as defined in the Nursing Home
16 Care Act, or a licensed facility as defined in the ID/DD
17 Community Care Act, the MC/DD Act, or the Specialized
18 Mental Health Rehabilitation Act of 2013.

19 (36) Beginning August 2, 2001, computers and
20 communications equipment utilized for any hospital purpose
21 and equipment used in the diagnosis, analysis, or
22 treatment of hospital patients sold to a lessor who leases
23 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

1 of this Act. This paragraph is exempt from the provisions
2 of Section 2-70.

3 (37) Beginning August 2, 2001, personal property sold
4 to a lessor who leases the property, under a lease of one
5 year or longer executed or in effect at the time of the
6 purchase, to a governmental body that has been issued an
7 active tax exemption identification number by the
8 Department under Section 1g of this Act. This paragraph is
9 exempt from the provisions of Section 2-70.

10 (38) Beginning on January 1, 2002 and through June 30,
11 2016, tangible personal property purchased from an
12 Illinois retailer by a taxpayer engaged in centralized
13 purchasing activities in Illinois who will, upon receipt
14 of the property in Illinois, temporarily store the
15 property in Illinois (i) for the purpose of subsequently
16 transporting it outside this State for use or consumption
17 thereafter solely outside this State or (ii) for the
18 purpose of being processed, fabricated, or manufactured
19 into, attached to, or incorporated into other tangible
20 personal property to be transported outside this State and
21 thereafter used or consumed solely outside this State. The
22 Director of Revenue shall, pursuant to rules adopted in
23 accordance with the Illinois Administrative Procedure Act,
24 issue a permit to any taxpayer in good standing with the
25 Department who is eligible for the exemption under this
26 paragraph (38). The permit issued under this paragraph

1 (38) shall authorize the holder, to the extent and in the
2 manner specified in the rules adopted under this Act, to
3 purchase tangible personal property from a retailer exempt
4 from the taxes imposed by this Act. Taxpayers shall
5 maintain all necessary books and records to substantiate
6 the use and consumption of all such tangible personal
7 property outside of the State of Illinois.

8 (39) Beginning January 1, 2008, tangible personal
9 property used in the construction or maintenance of a
10 community water supply, as defined under Section 3.145 of
11 the Environmental Protection Act, that is operated by a
12 not-for-profit corporation that holds a valid water supply
13 permit issued under Title IV of the Environmental
14 Protection Act. This paragraph is exempt from the
15 provisions of Section 2-70.

16 (40) Beginning January 1, 2010 and continuing through
17 December 31, 2029, materials, parts, equipment,
18 components, and furnishings incorporated into or upon an
19 aircraft as part of the modification, refurbishment,
20 completion, replacement, repair, or maintenance of the
21 aircraft. This exemption includes consumable supplies used
22 in the modification, refurbishment, completion,
23 replacement, repair, and maintenance of aircraft. However,
24 until January 1, 2024, this exemption excludes any
25 materials, parts, equipment, components, and consumable
26 supplies used in the modification, replacement, repair,

1 and maintenance of aircraft engines or power plants,
2 whether such engines or power plants are installed or
3 uninstalled upon any such aircraft. "Consumable supplies"
4 include, but are not limited to, adhesive, tape,
5 sandpaper, general purpose lubricants, cleaning solution,
6 latex gloves, and protective films.

7 Beginning January 1, 2010 and continuing through
8 December 31, 2023, this exemption applies only to the sale
9 of qualifying tangible personal property to persons who
10 modify, refurbish, complete, replace, or maintain an
11 aircraft and who (i) hold an Air Agency Certificate and
12 are empowered to operate an approved repair station by the
13 Federal Aviation Administration, (ii) have a Class IV
14 Rating, and (iii) conduct operations in accordance with
15 Part 145 of the Federal Aviation Regulations. The
16 exemption does not include aircraft operated by a
17 commercial air carrier providing scheduled passenger air
18 service pursuant to authority issued under Part 121 or
19 Part 129 of the Federal Aviation Regulations. From January
20 1, 2024 through December 31, 2029, this exemption applies
21 only to the use of qualifying tangible personal property
22 by: (A) persons who modify, refurbish, complete, repair,
23 replace, or maintain aircraft and who (i) hold an Air
24 Agency Certificate and are empowered to operate an
25 approved repair station by the Federal Aviation
26 Administration, (ii) have a Class IV Rating, and (iii)

1 conduct operations in accordance with Part 145 of the
2 Federal Aviation Regulations; and (B) persons who engage
3 in the modification, replacement, repair, and maintenance
4 of aircraft engines or power plants without regard to
5 whether or not those persons meet the qualifications of
6 item (A).

7 The changes made to this paragraph (40) by Public Act
8 98-534 are declarative of existing law. It is the intent
9 of the General Assembly that the exemption under this
10 paragraph (40) applies continuously from January 1, 2010
11 through December 31, 2024; however, no claim for credit or
12 refund is allowed for taxes paid as a result of the
13 disallowance of this exemption on or after January 1, 2015
14 and prior to February 5, 2020 (the effective date of
15 Public Act 101-629).

16 (41) Tangible personal property sold to a
17 public-facilities corporation, as described in Section
18 11-65-10 of the Illinois Municipal Code, for purposes of
19 constructing or furnishing a municipal convention hall,
20 but only if the legal title to the municipal convention
21 hall is transferred to the municipality without any
22 further consideration by or on behalf of the municipality
23 at the time of the completion of the municipal convention
24 hall or upon the retirement or redemption of any bonds or
25 other debt instruments issued by the public-facilities
26 corporation in connection with the development of the

1 municipal convention hall. This exemption includes
2 existing public-facilities corporations as provided in
3 Section 11-65-25 of the Illinois Municipal Code. This
4 paragraph is exempt from the provisions of Section 2-70.

5 (42) Beginning January 1, 2017 and through December
6 31, 2026, menstrual pads, tampons, and menstrual cups.

7 (43) Merchandise that is subject to the Rental
8 Purchase Agreement Occupation and Use Tax. The purchaser
9 must certify that the item is purchased to be rented
10 subject to a rental-purchase ~~rental-purchase~~ agreement, as
11 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement
12 Act, and provide proof of registration under the Rental
13 Purchase Agreement Occupation and Use Tax Act. This
14 paragraph is exempt from the provisions of Section 2-70.

15 (44) Qualified tangible personal property used in the
16 construction or operation of a data center that has been
17 granted a certificate of exemption by the Department of
18 Commerce and Economic Opportunity, whether that tangible
19 personal property is purchased by the owner, operator, or
20 tenant of the data center or by a contractor or
21 subcontractor of the owner, operator, or tenant. Data
22 centers that would have qualified for a certificate of
23 exemption prior to January 1, 2020 had Public Act 101-31
24 been in effect, may apply for and obtain an exemption for
25 subsequent purchases of computer equipment or enabling
26 software purchased or leased to upgrade, supplement, or

1 replace computer equipment or enabling software purchased
2 or leased in the original investment that would have
3 qualified.

4 The Department of Commerce and Economic Opportunity
5 shall grant a certificate of exemption under this item
6 (44) to qualified data centers as defined by Section
7 605-1025 of the Department of Commerce and Economic
8 Opportunity Law of the Civil Administrative Code of
9 Illinois.

10 For the purposes of this item (44):

11 "Data center" means a building or a series of
12 buildings rehabilitated or constructed to house
13 working servers in one physical location or multiple
14 sites within the State of Illinois.

15 "Qualified tangible personal property" means:
16 electrical systems and equipment; climate control and
17 chilling equipment and systems; mechanical systems and
18 equipment; monitoring and secure systems; emergency
19 generators; hardware; computers; servers; data storage
20 devices; network connectivity equipment; racks;
21 cabinets; telecommunications cabling infrastructure;
22 raised floor systems; peripheral components or
23 systems; software; mechanical, electrical, or plumbing
24 systems; battery systems; cooling systems and towers;
25 temperature control systems; other cabling; and other
26 data center infrastructure equipment and systems

1 necessary to operate qualified tangible personal
2 property, including fixtures; and component parts of
3 any of the foregoing, including installation,
4 maintenance, repair, refurbishment, and replacement of
5 qualified tangible personal property to generate,
6 transform, transmit, distribute, or manage electricity
7 necessary to operate qualified tangible personal
8 property; and all other tangible personal property
9 that is essential to the operations of a computer data
10 center. The term "qualified tangible personal
11 property" also includes building materials physically
12 incorporated into the qualifying data center. To
13 document the exemption allowed under this Section, the
14 retailer must obtain from the purchaser a copy of the
15 certificate of eligibility issued by the Department of
16 Commerce and Economic Opportunity.

17 This item (44) is exempt from the provisions of
18 Section 2-70.

19 (45) Beginning January 1, 2020 and through December
20 31, 2020, sales of tangible personal property made by a
21 marketplace seller over a marketplace for which tax is due
22 under this Act but for which use tax has been collected and
23 remitted to the Department by a marketplace facilitator
24 under Section 2d of the Use Tax Act are exempt from tax
25 under this Act. A marketplace seller claiming this
26 exemption shall maintain books and records demonstrating

1 that the use tax on such sales has been collected and
2 remitted by a marketplace facilitator. Marketplace sellers
3 that have properly remitted tax under this Act on such
4 sales may file a claim for credit as provided in Section 6
5 of this Act. No claim is allowed, however, for such taxes
6 for which a credit or refund has been issued to the
7 marketplace facilitator under the Use Tax Act, or for
8 which the marketplace facilitator has filed a claim for
9 credit or refund under the Use Tax Act.

10 (46) Beginning July 1, 2022, breast pumps, breast pump
11 collection and storage supplies, and breast pump kits.
12 This item (46) is exempt from the provisions of Section
13 2-70. As used in this item (46):

14 "Breast pump" means an electrically controlled or
15 manually controlled pump device designed or marketed to be
16 used to express milk from a human breast during lactation,
17 including the pump device and any battery, AC adapter, or
18 other power supply unit that is used to power the pump
19 device and is packaged and sold with the pump device at the
20 time of sale.

21 "Breast pump collection and storage supplies" means
22 items of tangible personal property designed or marketed
23 to be used in conjunction with a breast pump to collect
24 milk expressed from a human breast and to store collected
25 milk until it is ready for consumption.

26 "Breast pump collection and storage supplies"

1 includes, but is not limited to: breast shields and breast
2 shield connectors; breast pump tubes and tubing adapters;
3 breast pump valves and membranes; backflow protectors and
4 backflow protector adaptors; bottles and bottle caps
5 specific to the operation of the breast pump; and breast
6 milk storage bags.

7 "Breast pump collection and storage supplies" does not
8 include: (1) bottles and bottle caps not specific to the
9 operation of the breast pump; (2) breast pump travel bags
10 and other similar carrying accessories, including ice
11 packs, labels, and other similar products; (3) breast pump
12 cleaning supplies; (4) nursing bras, bra pads, breast
13 shells, and other similar products; and (5) creams,
14 ointments, and other similar products that relieve
15 breastfeeding-related symptoms or conditions of the
16 breasts or nipples, unless sold as part of a breast pump
17 kit that is pre-packaged by the breast pump manufacturer
18 or distributor.

19 "Breast pump kit" means a kit that: (1) contains no
20 more than a breast pump, breast pump collection and
21 storage supplies, a rechargeable battery for operating the
22 breast pump, a breastmilk cooler, bottle stands, ice
23 packs, and a breast pump carrying case; and (2) is
24 pre-packaged as a breast pump kit by the breast pump
25 manufacturer or distributor.

26 (47) Tangible personal property sold by or on behalf

1 of the State Treasurer pursuant to the Revised Uniform
2 Unclaimed Property Act. This item (47) is exempt from the
3 provisions of Section 2-70.

4 (48) Beginning on January 1, 2024, tangible personal
5 property purchased by an active duty member of the armed
6 forces of the United States who presents valid military
7 identification and purchases the property using a form of
8 payment where the federal government is the payor. The
9 member of the armed forces must complete, at the point of
10 sale, a form prescribed by the Department of Revenue
11 documenting that the transaction is eligible for the
12 exemption under this paragraph. Retailers must keep the
13 form as documentation of the exemption in their records
14 for a period of not less than 6 years. "Armed forces of the
15 United States" means the United States Army, Navy, Air
16 Force, Marine Corps, or Coast Guard. This paragraph is
17 exempt from the provisions of Section 2-70.

18 (49) Beginning on July 1, 2024, food for human
19 consumption that is to be consumed off the premises where
20 it is sold (other than alcoholic beverages, food
21 consisting of or infused with adult use cannabis, soft
22 drinks, and food that has been prepared for immediate
23 consumption). This item (49) is exempt from the provisions
24 of Section 2-70.

25 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
26 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,

1 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
2 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
3 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
4 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
5 12-12-23.)

6 (35 ILCS 120/2-10)

7 Sec. 2-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 gross receipts from sales of tangible personal property made
10 in 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 from beginning again on July 1, 2023
8 through June 30, 2024, with respect to food for human
9 consumption that is to be consumed off the premises where it is
10 sold (other than alcoholic beverages, food consisting of or
11 infused with adult use cannabis, soft drinks, and food that
12 has been prepared for immediate consumption), the tax is
13 imposed at the rate of 1%. From Beginning July 1, 2022 through
14 and until July 1, 2023, and on and after July 1, 2024, with
15 respect to food for human consumption that is to be consumed
16 off the premises where it is sold (other than alcoholic
17 beverages, food consisting of or infused with adult use
18 cannabis, soft drinks, and food that has been prepared for
19 immediate consumption) is exempt from the tax imposed by this
20 Act, the tax is imposed at the rate of 0%.

21 With respect to prescription and nonprescription
22 medicines, drugs, medical appliances, products classified as
23 Class III medical devices by the United States Food and Drug
24 Administration that are used for cancer treatment pursuant to
25 a prescription, as well as any accessories and components
26 related to those devices, modifications to a motor vehicle for

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

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

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

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

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

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

1 use that contains a label that identifies the product as a drug
2 as required by 21 CFR 201.66. The "over-the-counter-drug"
3 label includes:

4 (A) a "Drug Facts" panel; or

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

8 Beginning on January 1, 2014 (the effective date of Public
9 Act 98-122), "prescription and nonprescription medicines and
10 drugs" includes medical cannabis purchased from a registered
11 dispensing organization under the Compassionate Use of Medical
12 Cannabis Program Act.

13 As used in this Section, "adult use cannabis" means
14 cannabis subject to tax under the Cannabis Cultivation
15 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
16 and does not include cannabis subject to tax under the
17 Compassionate Use of Medical Cannabis Program Act.

18 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,
19 Section 20-20, eff. 4-19-22; 102-700, Article 60, Section
20 60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.
21 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23.)

22 (35 ILCS 120/3) (from Ch. 120, par. 442)

23 Sec. 3. Except as provided in this Section, on or before
24 the twentieth day of each calendar month, every person engaged
25 in the business of selling tangible personal property at

1 retail in this State during the preceding calendar month shall
2 file a return with the Department, stating:

3 1. The name of the seller;

4 2. His residence address and the address of his
5 principal place of business and the address of the
6 principal place of business (if that is a different
7 address) from which he engages in the business of selling
8 tangible personal property at retail in this State;

9 3. Total amount of receipts received by him during the
10 preceding calendar month or quarter, as the case may be,
11 from sales of tangible personal property, and from
12 services furnished, by him during such preceding calendar
13 month or quarter;

14 4. Total amount received by him during the preceding
15 calendar month or quarter on charge and time sales of
16 tangible personal property, and from services furnished,
17 by him prior to the month or quarter for which the return
18 is filed;

19 5. Deductions allowed by law;

20 6. Gross receipts which were received by him during
21 the preceding calendar month or quarter and upon the basis
22 of which the tax is imposed, including gross receipts on
23 food for human consumption that is to be consumed off the
24 premises where it is sold (other than alcoholic beverages,
25 food consisting of or infused with adult use cannabis,
26 soft drinks, and food that has been prepared for immediate

1 consumption) which were received during the preceding
2 calendar month or quarter and upon which tax would have
3 been due but for the 0% rate imposed under Public Act
4 102-700;

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

7 8. The amount of tax due, including the amount of tax
8 that would have been due on food for human consumption
9 that is to be consumed off the premises where it is sold
10 (other than alcoholic beverages, food consisting of or
11 infused with adult use cannabis, soft drinks, and food
12 that has been prepared for immediate consumption) but for
13 the 0% rate imposed under Public Act 102-700;

14 9. The signature of the taxpayer; and

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

17 On and after January 1, 2018, except for returns required
18 to be filed prior to January 1, 2023 for motor vehicles,
19 watercraft, aircraft, and trailers that are required to be
20 registered with an agency of this State, with respect to
21 retailers whose annual gross receipts average \$20,000 or more,
22 all returns required to be filed pursuant to this Act shall be
23 filed electronically. On and after January 1, 2023, with
24 respect to retailers whose annual gross receipts average
25 \$20,000 or more, all returns required to be filed pursuant to
26 this Act, including, but not limited to, returns for motor

1 vehicles, watercraft, aircraft, and trailers that are required
2 to be registered with an agency of this State, shall be filed
3 electronically. Retailers who demonstrate that they do not
4 have access to the Internet or demonstrate hardship in filing
5 electronically may petition the Department to waive the
6 electronic filing requirement.

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

11 Each return shall be accompanied by the statement of
12 prepaid tax issued pursuant to Section 2e for which credit is
13 claimed.

14 Prior to October 1, 2003~~7~~ and on and after September 1,
15 2004₁, a retailer may accept a Manufacturer's Purchase Credit
16 certification from a purchaser in satisfaction of Use Tax as
17 provided in Section 3-85 of the Use Tax Act if the purchaser
18 provides the appropriate documentation as required by Section
19 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
20 certification, accepted by a retailer prior to October 1, 2003
21 and on and after September 1, 2004 as provided in Section 3-85
22 of the Use Tax Act, may be used by that retailer to satisfy
23 Retailers' Occupation Tax liability in the amount claimed in
24 the certification, not to exceed 6.25% of the receipts subject
25 to tax from a qualifying purchase. A Manufacturer's Purchase
26 Credit reported on any original or amended return filed under

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

9 Beginning on July 1, 2023 and through December 31, 2032, a
10 retailer may accept a Sustainable Aviation Fuel Purchase
11 Credit certification from an air common carrier-purchaser in
12 satisfaction of Use Tax on aviation fuel as provided in
13 Section 3-87 of the Use Tax Act if the purchaser provides the
14 appropriate documentation as required by Section 3-87 of the
15 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
16 certification accepted by a retailer in accordance with this
17 paragraph may be used by that retailer to satisfy Retailers'
18 Occupation Tax liability (but not in satisfaction of penalty
19 or interest) in the amount claimed in the certification, not
20 to exceed 6.25% of the receipts subject to tax from a sale of
21 aviation fuel. In addition, for a sale of aviation fuel to
22 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
23 retailers must retain in their books and records a
24 certification from the producer of the aviation fuel that the
25 aviation fuel sold by the retailer and for which a sustainable
26 aviation fuel purchase credit was earned meets the definition

1 of sustainable aviation fuel under Section 3-87 of the Use Tax
2 Act. The documentation must include detail sufficient for the
3 Department to determine the number of gallons of sustainable
4 aviation fuel sold.

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

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

1 Every person engaged in the business of selling aviation
2 fuel at retail in this State during the preceding calendar
3 month shall, instead of reporting and paying tax as otherwise
4 required by this Section, report and pay such tax on a separate
5 aviation fuel tax return. The requirements related to the
6 return shall be as otherwise provided in this Section.
7 Notwithstanding any other provisions of this Act to the
8 contrary, retailers selling aviation fuel shall file all
9 aviation fuel tax returns and shall make all aviation fuel tax
10 payments by electronic means in the manner and form required
11 by the Department. For purposes of this Section, "aviation
12 fuel" means jet fuel and aviation gasoline.

13 Beginning on October 1, 2003, any person who is not a
14 licensed distributor, importing distributor, or manufacturer,
15 as defined in the Liquor Control Act of 1934, but is engaged in
16 the business of selling, at retail, alcoholic liquor shall
17 file a statement with the Department of Revenue, in a format
18 and at a time prescribed by the Department, showing the total
19 amount paid for alcoholic liquor purchased during the
20 preceding month and such other information as is reasonably
21 required by the Department. The Department may adopt rules to
22 require that this statement be filed in an electronic or
23 telephonic format. Such rules may provide for exceptions from
24 the filing requirements of this paragraph. For the purposes of
25 this paragraph, the term "alcoholic liquor" shall have the
26 meaning prescribed in the Liquor Control Act of 1934.

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

1 "electronic means" includes, but is not limited to, the use of
2 a secure Internet website, e-mail, or facsimile.

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

7 Notwithstanding any other provision of this Act to the
8 contrary, retailers subject to tax on cannabis shall file all
9 cannabis tax returns and shall make all cannabis tax payments
10 by electronic means in the manner and form required by the
11 Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 In addition, with respect to motor vehicles, watercraft,
13 aircraft, and trailers that are required to be registered with
14 an agency of this State, every person who is engaged in the
15 business of leasing or renting such items and who, in
16 connection with such business, sells any such item to a
17 retailer for the purpose of resale is, notwithstanding any
18 other provision of this Section to the contrary, authorized to
19 meet the return-filing requirement of this Act by reporting
20 the transfer of all the aircraft, watercraft, motor vehicles,
21 or trailers transferred for resale during a month to the
22 Department on the same uniform invoice-transaction reporting
23 return form on or before the 20th of the month following the
24 month in which the transfer takes place. Notwithstanding any
25 other provision of this Act to the contrary, all returns filed
26 under this paragraph must be filed by electronic means in the

1 manner and form as required by the Department.

2 Any retailer who sells only motor vehicles, watercraft,
3 aircraft, or trailers that are required to be registered with
4 an agency of this State, so that all retailers' occupation tax
5 liability is required to be reported, and is reported, on such
6 transaction reporting returns and who is not otherwise
7 required to file monthly or quarterly returns, need not file
8 monthly or quarterly returns. However, those retailers shall
9 be required to file returns on an annual basis.

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

1 sale; a sufficient identification of the property sold; such
2 other information as is required in Section 5-402 of the
3 Illinois Vehicle Code, and such other information as the
4 Department may reasonably require.

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

22 Such transaction reporting return shall be filed not later
23 than 20 days after the day of delivery of the item that is
24 being sold, but may be filed by the retailer at any time sooner
25 than that if he chooses to do so. The transaction reporting
26 return and tax remittance or proof of exemption from the

1 Illinois use tax may be transmitted to the Department by way of
2 the State agency with which, or State officer with whom the
3 tangible personal property must be titled or registered (if
4 titling or registration is required) if the Department and
5 such agency or State officer determine that this procedure
6 will expedite the processing of applications for title or
7 registration.

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

21 No retailer's failure or refusal to remit tax under this
22 Act precludes a user, who has paid the proper tax to the
23 retailer, from obtaining his certificate of title or other
24 evidence of title or registration (if titling or registration
25 is required) upon satisfying the Department that such user has
26 paid the proper tax (if tax is due) to the retailer. The

1 Department shall adopt appropriate rules to carry out the
2 mandate of this paragraph.

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

21 Refunds made by the seller during the preceding return
22 period to purchasers, on account of tangible personal property
23 returned to the seller, shall be allowed as a deduction under
24 subdivision 5 of his monthly or quarterly return, as the case
25 may be, in case the seller had theretofore included the
26 receipts from the sale of such tangible personal property in a

1 return filed by him and had paid the tax imposed by this Act
2 with respect to such receipts.

3 Where the seller is a corporation, the return filed on
4 behalf of such corporation shall be signed by the president,
5 vice-president, secretary, or treasurer or by the properly
6 accredited agent of such corporation.

7 Where the seller is a limited liability company, the
8 return filed on behalf of the limited liability company shall
9 be signed by a manager, member, or properly accredited agent
10 of the limited liability company.

11 Except as provided in this Section, the retailer filing
12 the return under this Section shall, at the time of filing such
13 return, pay to the Department the amount of tax imposed by this
14 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
15 on and after January 1, 1990, or \$5 per calendar year,
16 whichever is greater, which is allowed to reimburse the
17 retailer for the expenses incurred in keeping records,
18 preparing and filing returns, remitting the tax and supplying
19 data to the Department on request. On and after January 1,
20 2021, a certified service provider, as defined in the Leveling
21 the Playing Field for Illinois Retail Act, filing the return
22 under this Section on behalf of a remote retailer shall, at the
23 time of such return, pay to the Department the amount of tax
24 imposed by this Act less a discount of 1.75%. A remote retailer
25 using a certified service provider to file a return on its
26 behalf, as provided in the Leveling the Playing Field for

1 Illinois Retail Act, is not eligible for the discount. When
2 determining the discount allowed under this Section, retailers
3 shall include the amount of tax that would have been due at the
4 1% rate but for the 0% rate imposed under Public Act 102-700.
5 When determining the discount allowed under this Section,
6 retailers shall include the amount of tax that would have been
7 due at the 6.25% rate but for the 1.25% rate imposed on sales
8 tax holiday items under Public Act 102-700. The discount under
9 this Section is not allowed for the 1.25% portion of taxes paid
10 on aviation fuel that is subject to the revenue use
11 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. Any
12 prepayment made pursuant to Section 2d of this Act shall be
13 included in the amount on which such 2.1% or 1.75% discount is
14 computed. In the case of retailers who report and pay the tax
15 on a transaction by transaction basis, as provided in this
16 Section, such discount shall be taken with each such tax
17 remittance instead of when such retailer files his periodic
18 return. The discount allowed under this Section is allowed
19 only for returns that are filed in the manner required by this
20 Act. The Department may disallow the discount for retailers
21 whose certificate of registration is revoked at the time the
22 return is filed, but only if the Department's decision to
23 revoke the certificate of registration has become final.

24 Before October 1, 2000, if the taxpayer's average monthly
25 tax liability to the Department under this Act, the Use Tax
26 Act, the Service Occupation Tax Act, and the Service Use Tax

1 Act, excluding any liability for prepaid sales tax to be
2 remitted in accordance with Section 2d of this Act, was
3 \$10,000 or more during the preceding 4 complete calendar
4 quarters, he shall file a return with the Department each
5 month by the 20th day of the month next following the month
6 during which such tax liability is incurred and shall make
7 payments to the Department on or before the 7th, 15th, 22nd and
8 last day of the month during which such liability is incurred.
9 On and after October 1, 2000, if the taxpayer's average
10 monthly tax liability to the Department under this Act, the
11 Use Tax Act, the Service Occupation Tax Act, and the Service
12 Use Tax Act, excluding any liability for prepaid sales tax to
13 be remitted in accordance with Section 2d of this Act, was
14 \$20,000 or more during the preceding 4 complete calendar
15 quarters, he shall file a return with the Department each
16 month by the 20th day of the month next following the month
17 during which such tax liability is incurred and shall make
18 payment to the Department on or before the 7th, 15th, 22nd and
19 last day of the month during which such liability is incurred.
20 If the month during which such tax liability is incurred began
21 prior to January 1, 1985, each payment shall be in an amount
22 equal to 1/4 of the taxpayer's actual liability for the month
23 or an amount set by the Department not to exceed 1/4 of the
24 average monthly liability of the taxpayer to the Department
25 for the preceding 4 complete calendar quarters (excluding the
26 month of highest liability and the month of lowest liability

1 in such 4 quarter period). If the month during which such tax
2 liability is incurred begins on or after January 1, 1985 and
3 prior to January 1, 1987, each payment shall be in an amount
4 equal to 22.5% of the taxpayer's actual liability for the
5 month or 27.5% of the taxpayer's liability for the same
6 calendar month of the preceding year. If the month during
7 which such tax liability is incurred begins on or after
8 January 1, 1987 and prior to January 1, 1988, each payment
9 shall be in an amount equal to 22.5% of the taxpayer's actual
10 liability for the month or 26.25% of the taxpayer's liability
11 for the same calendar month of the preceding year. If the month
12 during which such tax liability is incurred begins on or after
13 January 1, 1988, and prior to January 1, 1989, or begins on or
14 after January 1, 1996, each payment shall be in an amount equal
15 to 22.5% of the taxpayer's actual liability for the month or
16 25% of the taxpayer's liability for the same calendar month of
17 the preceding year. If the month during which such tax
18 liability is incurred begins on or after January 1, 1989, and
19 prior to January 1, 1996, each payment shall be in an amount
20 equal to 22.5% of the taxpayer's actual liability for the
21 month or 25% of the taxpayer's liability for the same calendar
22 month of the preceding year or 100% of the taxpayer's actual
23 liability for the quarter monthly reporting period. The amount
24 of such quarter monthly payments shall be credited against the
25 final tax liability of the taxpayer's return for that month.
26 Before October 1, 2000, once applicable, the requirement of

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

1 calendar quarter period is less than \$20,000. However, if a
2 taxpayer can show the Department that a substantial change in
3 the taxpayer's business has occurred which causes the taxpayer
4 to anticipate that his average monthly tax liability for the
5 reasonably foreseeable future will fall below the \$20,000
6 threshold stated above, then such taxpayer may petition the
7 Department for a change in such taxpayer's reporting status.
8 The Department shall change such taxpayer's reporting status
9 unless it finds that such change is seasonal in nature and not
10 likely to be long term. Quarter monthly payment status shall
11 be determined under this paragraph as if the rate reduction to
12 0% in Public Act 102-700 on food for human consumption that is
13 to be 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) had not occurred. For quarter monthly
17 payments due under this paragraph on or after July 1, 2023 and
18 through June 30, 2024, "25% of the taxpayer's liability for
19 the same calendar month of the preceding year" shall be
20 determined as if the rate reduction to 0% in Public Act 102-700
21 had not occurred. Quarter monthly payment status shall be
22 determined under this paragraph as if the rate reduction to
23 1.25% in Public Act 102-700 on sales tax holiday items had not
24 occurred. For quarter monthly payments due on or after July 1,
25 2023 and through June 30, 2024, "25% of the taxpayer's
26 liability for the same calendar month of the preceding year"

1 shall be determined as if the rate reduction to 1.25% in Public
2 Act 102-700 on sales tax holiday items had not occurred. If any
3 such quarter monthly payment is not paid at the time or in the
4 amount required by this Section, then the taxpayer shall be
5 liable for penalties and interest on the difference between
6 the minimum amount due as a payment and the amount of such
7 quarter monthly payment actually and timely paid, except
8 insofar as the taxpayer has previously made payments for that
9 month to the Department in excess of the minimum payments
10 previously due as provided in this Section. The Department
11 shall make reasonable rules and regulations to govern the
12 quarter monthly payment amount and quarter monthly payment
13 dates for taxpayers who file on other than a calendar monthly
14 basis.

15 The provisions of this paragraph apply before October 1,
16 2001. Without regard to whether a taxpayer is required to make
17 quarter monthly payments as specified above, any taxpayer who
18 is required by Section 2d of this Act to collect and remit
19 prepaid taxes and has collected prepaid taxes which average in
20 excess of \$25,000 per month during the preceding 2 complete
21 calendar quarters, shall file a return with the Department as
22 required by Section 2f and shall make payments to the
23 Department on or before the 7th, 15th, 22nd and last day of the
24 month during which such liability is incurred. If the month
25 during which such tax liability is incurred began prior to
26 September 1, 1985 (the effective date of Public Act 84-221),

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

25 The provisions of this paragraph apply on and after
26 October 1, 2001. Without regard to whether a taxpayer is

1 required to make quarter monthly payments as specified above,
2 any taxpayer who is required by Section 2d of this Act to
3 collect and remit prepaid taxes and has collected prepaid
4 taxes that average in excess of \$20,000 per month during the
5 preceding 4 complete calendar quarters shall file a return
6 with the Department as required by Section 2f and shall make
7 payments to the Department on or before the 7th, 15th, 22nd,
8 and last day of the month during which the liability is
9 incurred. Each payment shall be in an amount equal to 22.5% of
10 the taxpayer's actual liability for the month or 25% of the
11 taxpayer's liability for the same calendar month of the
12 preceding year. The amount of the quarter monthly payments
13 shall be credited against the final tax liability of the
14 taxpayer's return for that month filed under this Section or
15 Section 2f, as the case may be. Once applicable, the
16 requirement of the making of quarter monthly payments to the
17 Department pursuant to this paragraph shall continue until the
18 taxpayer's average monthly prepaid tax collections during the
19 preceding 4 complete calendar quarters (excluding the month of
20 highest liability and the month of lowest liability) is less
21 than \$19,000 or until such taxpayer's average monthly
22 liability to the Department as computed for each calendar
23 quarter of the 4 preceding complete calendar quarters is less
24 than \$20,000. If any such quarter monthly payment is not paid
25 at the time or in the amount required, the taxpayer shall be
26 liable for penalties and interest on such difference, except

1 insofar as the taxpayer has previously made payments for that
2 month in excess of the minimum payments previously due.

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

25 If a retailer of motor fuel is entitled to a credit under
26 Section 2d of this Act which exceeds the taxpayer's liability

1 to the Department under this Act for the month for which the
2 taxpayer is filing a return, the Department shall issue the
3 taxpayer a credit memorandum for the excess.

4 Beginning January 1, 1990, each month the Department shall
5 pay into the Local Government Tax Fund, a special fund in the
6 State treasury which is hereby created, the net revenue
7 realized for the preceding month from the 1% tax imposed under
8 this Act.

9 Beginning August 1, 2024, each month the State Comptroller
10 shall order transferred and the State Treasurer shall transfer
11 from the General Revenue Fund to the Local Government Tax Fund
12 an amount equal to the net revenue that would have been
13 realized during the preceding month from sales of the items
14 described in item (49) of Section 2-5 if the tax on those items
15 had been imposed at the rate of 1%.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the County and Mass Transit District Fund, a special
18 fund in the State treasury which is hereby created, 4% of the
19 net revenue realized for the preceding month from the 6.25%
20 general rate other than aviation fuel sold on or after
21 December 1, 2019. This exception for aviation fuel only
22 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 Beginning August 1, 2000, each month the Department shall
25 pay into the County and Mass Transit District Fund 20% of the
26 net revenue realized for the preceding month from the 1.25%

1 rate on the selling price of motor fuel and gasohol. If, in any
2 month, the tax on sales tax holiday items, as defined in
3 Section 2-8, is imposed at the rate of 1.25%, then the
4 Department shall pay 20% of the net revenue realized for that
5 month from the 1.25% rate on the selling price of sales tax
6 holiday items into the County and Mass Transit District Fund.

7 Beginning January 1, 1990, each month the Department shall
8 pay into the Local Government Tax Fund 16% of the net revenue
9 realized for the preceding month from the 6.25% general rate
10 on the selling price of tangible personal property other than
11 aviation fuel sold on or after December 1, 2019. This
12 exception for aviation fuel only applies for so long as the
13 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
14 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 Fuel 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 Local Government Tax Fund 80% of the net revenue
3 realized for the preceding month from the 1.25% rate on the
4 selling price of motor fuel and gasohol. If, in any month, the
5 tax on sales tax holiday items, as defined in Section 2-8, is
6 imposed at the rate of 1.25%, then the Department shall pay 80%
7 of the net revenue realized for that month from the 1.25% rate
8 on the selling price of sales tax holiday items into the Local
9 Government Tax Fund.

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

26 Beginning July 1, 2013, each month the Department shall

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

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

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

1 to be paid into the Build Illinois Fund pursuant to this Act,
2 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
3 Act, and Section 9 of the Service Occupation Tax Act, such Acts
4 being hereinafter called the "Tax Acts" and such aggregate of
5 2.2% or 3.8%, as the case may be, of moneys being hereinafter
6 called the "Tax Act Amount", and (2) the amount transferred to
7 the Build Illinois Fund from the State and Local Sales Tax
8 Reform Fund shall be less than the Annual Specified Amount (as
9 hereinafter defined), an amount equal to the difference shall
10 be immediately paid into the Build Illinois Fund from other
11 moneys received by the Department pursuant to the Tax Acts;
12 the "Annual Specified Amount" means the amounts specified
13 below for fiscal years 1986 through 1993:

14	Fiscal Year	Annual Specified Amount
15	1986	\$54,800,000
16	1987	\$76,650,000
17	1988	\$80,480,000
18	1989	\$88,510,000
19	1990	\$115,330,000
20	1991	\$145,470,000
21	1992	\$182,730,000
22	1993	\$206,520,000;

23 and means the Certified Annual Debt Service Requirement (as
24 defined in Section 13 of the Build Illinois Bond Act) or the
25 Tax Act Amount, whichever is greater, for fiscal year 1994 and
26 each fiscal year thereafter; and further provided, that if on

1 the last business day of any month the sum of (1) the Tax Act
2 Amount required to be deposited into the Build Illinois Bond
3 Account in the Build Illinois Fund during such month and (2)
4 the amount transferred to the Build Illinois Fund from the
5 State and Local Sales Tax Reform Fund shall have been less than
6 1/12 of the Annual Specified Amount, 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 in no event shall the
10 payments required under the preceding proviso result in
11 aggregate payments into the Build Illinois Fund pursuant to
12 this clause (b) for any fiscal year in excess of the greater of
13 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
14 such fiscal year. The amounts payable into the Build Illinois
15 Fund under clause (b) of the first sentence in this paragraph
16 shall be payable only until such time as the aggregate amount
17 on deposit under each trust indenture securing Bonds issued
18 and outstanding pursuant to the Build Illinois Bond Act is
19 sufficient, taking into account any future investment income,
20 to fully provide, in accordance with such indenture, for the
21 defeasance of or the payment of the principal of, premium, if
22 any, and interest on the Bonds secured by such indenture and on
23 any Bonds expected to be issued thereafter and all fees and
24 costs payable with respect thereto, all as certified by the
25 Director of the Bureau of the Budget (now Governor's Office of
26 Management and Budget). If on the last business day of any

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

20 Subject to payment of amounts into the Build Illinois Fund
21 as provided in the preceding paragraph or in any amendment
22 thereto hereafter enacted, the following specified monthly
23 installment of the amount requested in the certificate of the
24 Chairman of the Metropolitan Pier and Exposition Authority
25 provided under Section 8.25f of the State Finance Act, but not
26 in excess of sums designated as "Total Deposit", shall be

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

6	Fiscal Year	Total Deposit
7	1993	\$0
8	1994	53,000,000
9	1995	58,000,000
10	1996	61,000,000
11	1997	64,000,000
12	1998	68,000,000
13	1999	71,000,000
14	2000	75,000,000
15	2001	80,000,000
16	2002	93,000,000
17	2003	99,000,000
18	2004	103,000,000
19	2005	108,000,000
20	2006	113,000,000
21	2007	119,000,000
22	2008	126,000,000
23	2009	132,000,000
24	2010	139,000,000
25	2011	146,000,000
26	2012	153,000,000

1	2013	161,000,000
2	2014	170,000,000
3	2015	179,000,000
4	2016	189,000,000
5	2017	199,000,000
6	2018	210,000,000
7	2019	221,000,000
8	2020	233,000,000
9	2021	300,000,000
10	2022	300,000,000
11	2023	300,000,000
12	2024	300,000,000
13	2025	300,000,000
14	2026	300,000,000
15	2027	375,000,000
16	2028	375,000,000
17	2029	375,000,000
18	2030	375,000,000
19	2031	375,000,000
20	2032	375,000,000
21	2033	375,000,000
22	2034	375,000,000
23	2035	375,000,000
24	2036	450,000,000
25	and	
26	each fiscal year	

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

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

20 Subject to payment of amounts into the Capital Projects
21 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
22 and the McCormick Place Expansion Project Fund pursuant to the
23 preceding paragraphs or in any amendments thereto hereafter
24 enacted, for aviation fuel sold on or after December 1, 2019,
25 the Department shall each month deposit into the Aviation Fuel
26 Sales Tax Refund Fund an amount estimated by the Department to

1 be required for refunds of the 80% portion of the tax on
2 aviation fuel under this Act. The Department shall only
3 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
4 under this paragraph for so long as the revenue use
5 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
6 binding on the State.

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

15 Subject to payment of amounts into the Build Illinois
16 Fund, the McCormick Place Expansion Project Fund, and the
17 Illinois Tax Increment Fund pursuant to the preceding
18 paragraphs or in any amendments to this Section hereafter
19 enacted, beginning on the first day of the first calendar
20 month to occur on or after August 26, 2014 (the effective date
21 of Public Act 98-1098), each month, from the collections made
22 under Section 9 of the Use Tax Act, Section 9 of the Service
23 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
24 Section 3 of the Retailers' Occupation Tax Act, the Department
25 shall pay into the Tax Compliance and Administration Fund, to
26 be used, subject to appropriation, to fund additional auditors

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

8 Subject to payments of amounts into the Build Illinois
9 Fund, the McCormick Place Expansion Project Fund, the Illinois
10 Tax Increment Fund, the Energy Infrastructure Fund, and the
11 Tax Compliance and Administration Fund as provided in this
12 Section, beginning on July 1, 2018 the Department shall pay
13 each month into the Downstate Public Transportation Fund the
14 moneys required to be so paid under Section 2-3 of the
15 Downstate Public Transportation Act.

16 Subject to successful execution and delivery of a
17 public-private agreement between the public agency and private
18 entity and completion of the civic build, beginning on July 1,
19 2023, of the remainder of the moneys received by the
20 Department under the Use Tax Act, the Service Use Tax Act, the
21 Service Occupation Tax Act, and this Act, the Department shall
22 deposit the following specified deposits in the aggregate from
23 collections under the Use Tax Act, the Service Use Tax Act, the
24 Service Occupation Tax Act, and the Retailers' Occupation Tax
25 Act, as required under Section 8.25g of the State Finance Act
26 for distribution consistent with the Public-Private

1 Partnership for Civic and Transit Infrastructure Project Act.
 2 The moneys received by the Department pursuant to this Act and
 3 required to be deposited into the Civic and Transit
 4 Infrastructure Fund are subject to the pledge, claim and
 5 charge set forth in Section 25-55 of the Public-Private
 6 Partnership for Civic and Transit Infrastructure Project Act.
 7 As used in this paragraph, "civic build", "private entity",
 8 "public-private agreement", and "public agency" have the
 9 meanings provided in Section 25-10 of the Public-Private
 10 Partnership for Civic and Transit Infrastructure Project Act.

11	Fiscal Year.....	Total Deposit
12	2024	\$200,000,000
13	2025	\$206,000,000
14	2026	\$212,200,000
15	2027	\$218,500,000
16	2028	\$225,100,000
17	2029	\$288,700,000
18	2030	\$298,900,000
19	2031	\$309,300,000
20	2032	\$320,100,000
21	2033	\$331,200,000
22	2034	\$341,200,000
23	2035	\$351,400,000
24	2036	\$361,900,000
25	2037	\$372,800,000
26	2038	\$384,000,000

1	2039	\$395,500,000
2	2040	\$407,400,000
3	2041	\$419,600,000
4	2042	\$432,200,000
5	2043	\$445,100,000

6 Beginning July 1, 2021 and until July 1, 2022, subject to
7 the payment of amounts into the County and Mass Transit
8 District Fund, the Local Government Tax Fund, the Build
9 Illinois Fund, the McCormick Place Expansion Project Fund, the
10 Illinois Tax Increment Fund, and the Tax Compliance and
11 Administration Fund as provided in this Section, the
12 Department shall pay each month into the Road Fund the amount
13 estimated to represent 16% of the net revenue realized from
14 the taxes imposed on motor fuel and gasohol. Beginning July 1,
15 2022 and until July 1, 2023, subject to the payment of amounts
16 into the County and Mass Transit District Fund, the Local
17 Government Tax Fund, the Build Illinois Fund, the McCormick
18 Place Expansion Project Fund, the Illinois Tax Increment Fund,
19 and the Tax Compliance and Administration Fund as provided in
20 this Section, the Department shall pay each month into the
21 Road Fund the amount estimated to represent 32% of the net
22 revenue realized from the taxes imposed on motor fuel and
23 gasohol. Beginning July 1, 2023 and until July 1, 2024,
24 subject to the payment of amounts into the County and Mass
25 Transit District Fund, the Local Government Tax Fund, the
26 Build Illinois Fund, the McCormick Place Expansion Project

1 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
2 and Administration Fund as provided in this Section, the
3 Department shall pay each month into the Road Fund the amount
4 estimated to represent 48% of the net revenue realized from
5 the taxes imposed on motor fuel and gasohol. Beginning July 1,
6 2024 and until July 1, 2025, 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 64% of the net
13 revenue realized from the taxes imposed on motor fuel and
14 gasohol. Beginning on July 1, 2025, subject to the payment of
15 amounts into the County and Mass Transit District Fund, the
16 Local Government Tax Fund, the Build Illinois Fund, the
17 McCormick Place Expansion Project Fund, the Illinois Tax
18 Increment Fund, and the Tax Compliance and Administration Fund
19 as provided in this Section, the Department shall pay each
20 month into the Road Fund the amount estimated to represent 80%
21 of the net revenue realized from the taxes imposed on motor
22 fuel and gasohol. As used in this paragraph "motor fuel" has
23 the meaning given to that term in Section 1.1 of the Motor Fuel
24 Tax Law, and "gasohol" has the meaning given to that term in
25 Section 3-40 of the Use Tax 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 The Department may, upon separate written notice to a
7 taxpayer, require the taxpayer to prepare and file with the
8 Department on a form prescribed by the Department within not
9 less than 60 days after receipt of the notice an annual
10 information return for the tax year specified in the notice.
11 Such annual return to the Department shall include a statement
12 of gross receipts as shown by the retailer's last federal
13 ~~Federal~~ income tax return. If the total receipts of the
14 business as reported in the federal ~~Federal~~ income tax return
15 do not agree with the gross receipts reported to the
16 Department of Revenue for the same period, the retailer shall
17 attach to his annual return a schedule showing a
18 reconciliation of the 2 amounts and the reasons for the
19 difference. The retailer's annual return to the Department
20 shall also disclose the cost of goods sold by the retailer
21 during the year covered by such return, opening and closing
22 inventories of such goods for such year, costs of goods used
23 from stock or taken from stock and given away by the retailer
24 during such year, payroll information of the retailer's
25 business during such year and any additional reasonable
26 information which the Department deems would be helpful in

1 determining the accuracy of the monthly, quarterly, or annual
2 returns filed by such retailer as provided for in this
3 Section.

4 If the annual information return required by this Section
5 is not filed when and as required, the taxpayer shall be liable
6 as follows:

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

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

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

25 The provisions of this Section concerning the filing of an
26 annual information return do not apply to a retailer who is not

1 required to file an income tax return with the United States
2 Government.

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

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

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

21 Any person who promotes, organizes, or provides retail
22 selling space for concessionaires or other types of sellers at
23 the Illinois State Fair, DuQuoin State Fair, county fairs,
24 local fairs, art shows, flea markets, and similar exhibitions
25 or events, including any transient merchant as defined by
26 Section 2 of the Transient Merchant Act of 1987, is required to

1 file a report with the Department providing the name of the
2 merchant's business, the name of the person or persons engaged
3 in merchant's business, the permanent address and Illinois
4 Retailers Occupation Tax Registration Number of the merchant,
5 the dates and location of the event, and other reasonable
6 information that the Department may require. The report must
7 be filed not later than the 20th day of the month next
8 following the month during which the event with retail sales
9 was held. Any person who fails to file a report required by
10 this Section commits a business offense and is subject to a
11 fine not to exceed \$250.

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

1 risk of loss of revenue to the State. The Department shall
2 notify concessionaires and other sellers affected by the
3 imposition of this requirement. In the absence of notification
4 by the Department, the concessionaires and other sellers shall
5 file their returns as otherwise required in this Section.

6 (Source: P.A. 102-634, eff. 8-27-21; 102-700, Article 60,
7 Section 60-30, eff. 4-19-22; 102-700, Article 65, Section
8 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.
9 1-1-23; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-363,
10 eff. 7-28-23; revised 9-27-23.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.