

1 AN ACT concerning education funding.

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

4 Section 5. The State Finance Act is amended by adding
5 Section 5.545 as follows:

6 (30 ILCS 105/5.545 new)

7 Sec. 5.545. The Teach Illinois Fund.

8 Section 10. The Illinois Income Tax Act is amended by
9 changing Section 901 as follows:

10 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

11 Sec. 901. Collection Authority.

12 (a) In general.

13 The Department shall collect the taxes imposed by this
14 Act. The Department shall collect certified past due child
15 support amounts under Section 2505-650 of the Department of
16 Revenue Law (20 ILCS 2505/2505-650). Except as provided in
17 subsections (c) and (e) of this Section, money collected
18 pursuant to subsections (a) and (b) of Section 201 of this
19 Act shall be paid into the General Revenue Fund in the State
20 treasury; money collected pursuant to subsections (c) and (d)
21 of Section 201 of this Act shall be paid into the Personal
22 Property Tax Replacement Fund, a special fund in the State
23 Treasury; and money collected under Section 2505-650 of the
24 Department of Revenue Law (20 ILCS 2505/2505-650) shall be
25 paid into the Child Support Enforcement Trust Fund, a special
26 fund outside the State Treasury, or to the State Disbursement
27 Unit established under Section 10-26 of the Illinois Public
28 Aid Code, as directed by the Department of Public Aid.

29 (b) Local Governmental Distributive Fund.

1 Beginning August 1, 1969, and continuing through June 30,
2 1994, the Treasurer shall transfer each month from the
3 General Revenue Fund to a special fund in the State treasury,
4 to be known as the "Local Government Distributive Fund", an
5 amount equal to 1/12 of the net revenue realized from the tax
6 imposed by subsections (a) and (b) of Section 201 of this Act
7 during the preceding month. Beginning July 1, 1994, and
8 continuing through June 30, 1995, the Treasurer shall
9 transfer each month from the General Revenue Fund to the
10 Local Government Distributive Fund an amount equal to 1/11 of
11 the net revenue realized from the tax imposed by subsections
12 (a) and (b) of Section 201 of this Act during the preceding
13 month. Beginning July 1, 1995, the Treasurer shall transfer
14 each month from the General Revenue Fund to the Local
15 Government Distributive Fund an amount equal to 1/10 of the
16 net revenue realized from the tax imposed by subsections (a)
17 and (b) of Section 201 of the Illinois Income Tax Act during
18 the preceding month. Net revenue realized for a month shall
19 be defined as the revenue from the tax imposed by subsections
20 (a) and (b) of Section 201 of this Act which is deposited in
21 the General Revenue Fund, the Educational Assistance Fund and
22 the Income Tax Surcharge Local Government Distributive Fund
23 during the month minus the amount paid out of the General
24 Revenue Fund in State warrants during that same month as
25 refunds to taxpayers for overpayment of liability under the
26 tax imposed by subsections (a) and (b) of Section 201 of this
27 Act.

28 (c) Deposits Into Income Tax Refund Fund.

29 (1) Beginning on January 1, 1989 and thereafter,
30 the Department shall deposit a percentage of the amounts
31 collected pursuant to subsections (a) and (b)(1), (2),
32 and (3), of Section 201 of this Act into a fund in the
33 State treasury known as the Income Tax Refund Fund. The
34 Department shall deposit 6% of such amounts during the

1 period beginning January 1, 1989 and ending on June 30,
2 1989. Beginning with State fiscal year 1990 and for each
3 fiscal year thereafter, the percentage deposited into the
4 Income Tax Refund Fund during a fiscal year shall be the
5 Annual Percentage. For fiscal years 1999 through 2001,
6 the Annual Percentage shall be 7.1%. For all other
7 fiscal years, the Annual Percentage shall be calculated
8 as a fraction, the numerator of which shall be the amount
9 of refunds approved for payment by the Department during
10 the preceding fiscal year as a result of overpayment of
11 tax liability under subsections (a) and (b)(1), (2), and
12 (3) of Section 201 of this Act plus the amount of such
13 refunds remaining approved but unpaid at the end of the
14 preceding fiscal year, the denominator of which shall be
15 the amounts which will be collected pursuant to
16 subsections (a) and (b)(1), (2), and (3) of Section 201
17 of this Act during the preceding fiscal year. The
18 Director of Revenue shall certify the Annual Percentage
19 to the Comptroller on the last business day of the fiscal
20 year immediately preceding the fiscal year for which it
21 is to be effective.

22 (2) Beginning on January 1, 1989 and thereafter,
23 the Department shall deposit a percentage of the amounts
24 collected pursuant to subsections (a) and (b)(6), (7),
25 and (8), (c) and (d) of Section 201 of this Act into a
26 fund in the State treasury known as the Income Tax Refund
27 Fund. The Department shall deposit 18% of such amounts
28 during the period beginning January 1, 1989 and ending on
29 June 30, 1989. Beginning with State fiscal year 1990 and
30 for each fiscal year thereafter, the percentage deposited
31 into the Income Tax Refund Fund during a fiscal year
32 shall be the Annual Percentage. For fiscal years 1999,
33 2000, and 2001, the Annual Percentage shall be 19%. For
34 all other fiscal years, the Annual Percentage shall be

1 calculated as a fraction, the numerator of which shall be
2 the amount of refunds approved for payment by the
3 Department during the preceding fiscal year as a result
4 of overpayment of tax liability under subsections (a) and
5 (b)(6), (7), and (8), (c) and (d) of Section 201 of this
6 Act plus the amount of such refunds remaining approved
7 but unpaid at the end of the preceding fiscal year, the
8 denominator of which shall be the amounts which will be
9 collected pursuant to subsections (a) and (b)(6), (7),
10 and (8), (c) and (d) of Section 201 of this Act during
11 the preceding fiscal year. The Director of Revenue shall
12 certify the Annual Percentage to the Comptroller on the
13 last business day of the fiscal year immediately
14 preceding the fiscal year for which it is to be
15 effective.

16 (3) The Comptroller shall order transferred and the
17 Treasurer shall transfer from the Tobacco Settlement
18 Recovery Fund to the Income Tax Refund Fund (i)
19 \$35,000,000 in January, 2001, (ii) \$35,000,000 in
20 January, 2002, and (iii) \$35,000,000 in January, 2003.

21 (d) Expenditures from Income Tax Refund Fund.

22 (1) Beginning January 1, 1989, money in the Income
23 Tax Refund Fund shall be expended exclusively for the
24 purpose of paying refunds resulting from overpayment of
25 tax liability under Section 201 of this Act, for paying
26 rebates under Section 208.1 in the event that the amounts
27 in the Homeowners' Tax Relief Fund are insufficient for
28 that purpose, and for making transfers pursuant to this
29 subsection (d).

30 (2) The Director shall order payment of refunds
31 resulting from overpayment of tax liability under Section
32 201 of this Act from the Income Tax Refund Fund only to
33 the extent that amounts collected pursuant to Section 201
34 of this Act and transfers pursuant to this subsection (d)

1 and item (3) of subsection (c) have been deposited and
2 retained in the Fund.

3 (3) As soon as possible after the end of each
4 fiscal year, the Director shall order transferred and the
5 State Treasurer and State Comptroller shall transfer from
6 the Income Tax Refund Fund to the Personal Property Tax
7 Replacement Fund an amount, certified by the Director to
8 the Comptroller, equal to the excess of the amount
9 collected pursuant to subsections (c) and (d) of Section
10 201 of this Act deposited into the Income Tax Refund Fund
11 during the fiscal year over the amount of refunds
12 resulting from overpayment of tax liability under
13 subsections (c) and (d) of Section 201 of this Act paid
14 from the Income Tax Refund Fund during the fiscal year.

15 (4) As soon as possible after the end of each
16 fiscal year, the Director shall order transferred and the
17 State Treasurer and State Comptroller shall transfer from
18 the Personal Property Tax Replacement Fund to the Income
19 Tax Refund Fund an amount, certified by the Director to
20 the Comptroller, equal to the excess of the amount of
21 refunds resulting from overpayment of tax liability under
22 subsections (c) and (d) of Section 201 of this Act paid
23 from the Income Tax Refund Fund during the fiscal year
24 over the amount collected pursuant to subsections (c) and
25 (d) of Section 201 of this Act deposited into the Income
26 Tax Refund Fund during the fiscal year.

27 (4.5) As soon as possible after the end of fiscal
28 year 1999 and of each fiscal year thereafter, the
29 Director shall order transferred and the State Treasurer
30 and State Comptroller shall transfer from the Income Tax
31 Refund Fund to the General Revenue Fund any surplus
32 remaining in the Income Tax Refund Fund as of the end of
33 such fiscal year; excluding for fiscal years 2000, 2001,
34 and 2002 amounts attributable to transfers under item (3)

1 of subsection (c) less refunds resulting from the earned
2 income tax credit.

3 (5) This Act shall constitute an irrevocable and
4 continuing appropriation from the Income Tax Refund Fund
5 for the purpose of paying refunds upon the order of the
6 Director in accordance with the provisions of this
7 Section.

8 (e) Deposits into the Education Assistance Fund and the
9 Income Tax Surcharge Local Government Distributive Fund.

10 On July 1, 1991, and thereafter, of the amounts collected
11 pursuant to subsections (a) and (b) of Section 201 of this
12 Act, minus deposits into the Income Tax Refund Fund, the
13 Department shall deposit 7.3% into the Education Assistance
14 Fund in the State Treasury. Beginning July 1, 1991, and
15 continuing through January 31, 1993, of the amounts collected
16 pursuant to subsections (a) and (b) of Section 201 of the
17 Illinois Income Tax Act, minus deposits into the Income Tax
18 Refund Fund, the Department shall deposit 3.0% into the
19 Income Tax Surcharge Local Government Distributive Fund in
20 the State Treasury. Beginning February 1, 1993 and
21 continuing through June 30, 1993, of the amounts collected
22 pursuant to subsections (a) and (b) of Section 201 of the
23 Illinois Income Tax Act, minus deposits into the Income Tax
24 Refund Fund, the Department shall deposit 4.4% into the
25 Income Tax Surcharge Local Government Distributive Fund in
26 the State Treasury. Beginning July 1, 1993, and continuing
27 through June 30, 1994, of the amounts collected under
28 subsections (a) and (b) of Section 201 of this Act, minus
29 deposits into the Income Tax Refund Fund, the Department
30 shall deposit 1.475% into the Income Tax Surcharge Local
31 Government Distributive Fund in the State Treasury.

32 (f) Deposits into the Teach Illinois Fund.

33 Beginning July 1, 2001, of the amounts collected under
34 subsections (a) and (b) of Section 201 of this Act, minus

1 deposits into the Income Tax Refund Fund, the Department
2 shall deposit 1.79% into the Teach Illinois Fund.

3 (Source: P.A. 90-613, eff. 7-9-98; 90-655, eff. 7-30-98;
4 91-212, eff. 7-20-99; 91-239, eff. 1-1-00; 91-700, eff.
5 5-11-00; 91-704, eff. 7-1-00; 91-712, eff. 7-1-00; revised
6 6-28-00.)

7 Section 15. The Use Tax Act is amended by changing
8 Section 9 as follows:

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

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

31 Where such tangible personal property is sold under a
32 conditional sales contract, or under any other form of sale

1 wherein the payment of the principal sum, or a part thereof,
2 is extended beyond the close of the period for which the
3 return is filed, the retailer, in collecting the tax (except
4 as to motor vehicles, watercraft, aircraft, and trailers that
5 are required to be registered with an agency of this State),
6 may collect for each tax return period, only the tax
7 applicable to that part of the selling price actually
8 received during such tax return period.

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

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

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

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

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
7 be due on the return shall be deemed assessed.

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

30 Before August 1 of each year beginning in 1993, the
31 Department shall notify all taxpayers required to make
32 payments by electronic funds transfer. All taxpayers required
33 to make payments by electronic funds transfer shall make
34 those payments for a minimum of one year beginning on October

1 1.

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

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

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

12 Before October 1, 2000, if the taxpayer's average monthly
13 tax liability to the Department under this Act, the
14 Retailers' Occupation Tax Act, the Service Occupation Tax
15 Act, the Service Use Tax Act was \$10,000 or more during the
16 preceding 4 complete calendar quarters, he shall file a
17 return with the Department each month by the 20th day of the
18 month next following the month during which such tax
19 liability is incurred and shall make payments to the
20 Department on or before the 7th, 15th, 22nd and last day of
21 the month during which such liability is incurred. On and
22 after October 1, 2000, if the taxpayer's average monthly tax
23 liability to the Department under this Act, the Retailers'
24 Occupation Tax Act, the Service Occupation Tax Act, and the
25 Service Use Tax Act was \$20,000 or more during the preceding
26 4 complete calendar quarters, he shall file a return with the
27 Department each month by the 20th day of the month next
28 following the month during which such tax liability is
29 incurred and shall make payment to the Department on or
30 before the 7th, 15th, 22nd and last day of the month during
31 which such liability is incurred. If the month during which
32 such tax liability is incurred began prior to January 1,
33 1985, each payment shall be in an amount equal to 1/4 of the
34 taxpayer's actual liability for the month or an amount set by

1 the Department not to exceed 1/4 of the average monthly
2 liability of the taxpayer to the Department for the preceding
3 4 complete calendar quarters (excluding the month of highest
4 liability and the month of lowest liability in such 4 quarter
5 period). If the month during which such tax liability is
6 incurred begins on or after January 1, 1985, and prior to
7 January 1, 1987, each payment shall be in an amount equal to
8 22.5% of the taxpayer's actual liability for the month or
9 27.5% of the taxpayer's liability for the same calendar month
10 of the preceding year. If the month during which such tax
11 liability is incurred begins on or after January 1, 1987, and
12 prior to January 1, 1988, each payment shall be in an amount
13 equal to 22.5% of the taxpayer's actual liability for the
14 month or 26.25% of the taxpayer's liability for the same
15 calendar month of the preceding year. If the month during
16 which such tax liability is incurred begins on or after
17 January 1, 1988, and prior to January 1, 1989, or begins on
18 or after January 1, 1996, each payment shall be in an amount
19 equal to 22.5% of the taxpayer's actual liability for the
20 month or 25% of the taxpayer's liability for the same
21 calendar month of the preceding year. If the month during
22 which such tax liability is incurred begins on or after
23 January 1, 1989, and prior to January 1, 1996, each payment
24 shall be in an amount equal to 22.5% of the taxpayer's actual
25 liability for the month or 25% of the taxpayer's liability
26 for the same calendar month of the preceding year or 100% of
27 the taxpayer's actual liability for the quarter monthly
28 reporting period. The amount of such quarter monthly
29 payments shall be credited against the final tax liability of
30 the taxpayer's return for that month. Before October 1,
31 2000, once applicable, the requirement of the making of
32 quarter monthly payments to the Department shall continue
33 until such taxpayer's average monthly liability to the
34 Department during the preceding 4 complete calendar quarters

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

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

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

1 penalties and interest on such difference.

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

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

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

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

29 In addition, with respect to motor vehicles, watercraft,
30 aircraft, and trailers that are required to be registered
31 with an agency of this State, every retailer selling this
32 kind of tangible personal property shall file, with the
33 Department, upon a form to be prescribed and supplied by the
34 Department, a separate return for each such item of tangible

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

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

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

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

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

34 With each such transaction reporting return, the retailer

1 shall remit the proper amount of tax due (or shall submit
2 satisfactory evidence that the sale is not taxable if that is
3 the case), to the Department or its agents, whereupon the
4 Department shall issue, in the purchaser's name, a tax
5 receipt (or a certificate of exemption if the Department is
6 satisfied that the particular sale is tax exempt) which such
7 purchaser may submit to the agency with which, or State
8 officer with whom, he must title or register the tangible
9 personal property that is involved (if titling or
10 registration is required) in support of such purchaser's
11 application for an Illinois certificate or other evidence of
12 title or registration to such tangible personal property.

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

21 If the user who would otherwise pay tax to the retailer
22 wants the transaction reporting return filed and the payment
23 of tax or proof of exemption made to the Department before
24 the retailer is willing to take these actions and such user
25 has not paid the tax to the retailer, such user may certify
26 to the fact of such delay by the retailer, and may (upon the
27 Department being satisfied of the truth of such
28 certification) transmit the information required by the
29 transaction reporting return and the remittance for tax or
30 proof of exemption directly to the Department and obtain his
31 tax receipt or exemption determination, in which event the
32 transaction reporting return and tax remittance (if a tax
33 payment was required) shall be credited by the Department to
34 the proper retailer's account with the Department, but

1 without the 2.1% or 1.75% discount provided for in this
2 Section being allowed. When the user pays the tax directly
3 to the Department, he shall pay the tax in the same amount
4 and in the same form in which it would be remitted if the tax
5 had been remitted to the Department by the retailer.

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

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

30 If experience indicates such action to be practicable,
31 the Department may prescribe and furnish a combination or
32 joint return which will enable retailers, who are required to
33 file returns hereunder and also under the Retailers'
34 Occupation Tax Act, to furnish all the return information

1 required by both Acts on the one form.

2 Where the retailer has more than one business registered
3 with the Department under separate registration under this
4 Act, such retailer may not file each return that is due as a
5 single return covering all such registered businesses, but
6 shall file separate returns for each such registered
7 business.

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

19 Beginning January 1, 1990, each month the Department
20 shall pay into the County and Mass Transit District Fund 4%
21 of the net revenue realized for the preceding month from the
22 6.25% general rate on the selling price of tangible personal
23 property which is purchased outside Illinois at retail from a
24 retailer and which is titled or registered by an agency of
25 this State's government.

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

34 Beginning August 1, 2000, each month the Department shall

1 pay into the State and Local Sales Tax Reform Fund 100% of
2 the net revenue realized for the preceding month from the
3 1.25% rate on the selling price of motor fuel and gasohol.

4 Beginning January 1, 1990, each month the Department
5 shall pay into the Local Government Tax Fund 16% of the net
6 revenue realized for the preceding month from the 6.25%
7 general rate on the selling price of tangible personal
8 property which is purchased outside Illinois at retail from a
9 retailer and which is titled or registered by an agency of
10 this State's government.

11 Beginning July 1, 2001, each month the Department shall
12 pay into the Teach Illinois Fund 1.81% of the net revenue
13 realized for the preceding month from the 6.25% general rate
14 on the selling price of tangible personal property.

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

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

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

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

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

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

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

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

34 Subject to payment of amounts into the Build Illinois

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

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

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

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

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

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

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

15 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
16 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
17 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
18 eff. 1-1-01; revised 8-30-00.)

19 Section 20. The Service Use Tax Act is amended by
20 changing Section 9 as follows:

21 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

22 Sec. 9. Each serviceman required or authorized to
23 collect the tax herein imposed shall pay to the Department
24 the amount of such tax (except as otherwise provided) at the
25 time when he is required to file his return for the period
26 during which such tax was collected, less a discount of 2.1%
27 prior to January 1, 1990 and 1.75% on and after January 1,
28 1990, or \$5 per calendar year, whichever is greater, which is
29 allowed to reimburse the serviceman for expenses incurred in
30 collecting the tax, keeping records, preparing and filing
31 returns, remitting the tax and supplying data to the
32 Department on request. A serviceman need not remit that part

1 of any tax collected by him to the extent that he is required
2 to pay and does pay the tax imposed by the Service Occupation
3 Tax Act with respect to his sale of service involving the
4 incidental transfer by him of the same property.

5 Except as provided hereinafter in this Section, on or
6 before the twentieth day of each calendar month, such
7 serviceman shall file a return for the preceding calendar
8 month in accordance with reasonable Rules and Regulations to
9 be promulgated by the Department. Such return shall be filed
10 on a form prescribed by the Department and shall contain such
11 information as the Department may reasonably require.

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

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

34 If a taxpayer fails to sign a return within 30 days after

1 the proper notice and demand for signature by the Department,
2 the return shall be considered valid and any amount shown to
3 be due on the return shall be deemed assessed.

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

26 Before August 1 of each year beginning in 1993, the
27 Department shall notify all taxpayers required to make
28 payments by electronic funds transfer. All taxpayers required
29 to make payments by electronic funds transfer shall make
30 those payments for a minimum of one year beginning on October
31 1.

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

1 All taxpayers required to make payment by electronic
2 funds transfer and any taxpayers authorized to voluntarily
3 make payments by electronic funds transfer shall make those
4 payments in the manner authorized by the Department.

5 The Department shall adopt such rules as are necessary to
6 effectuate a program of electronic funds transfer and the
7 requirements of this Section.

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

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

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

28 Notwithstanding any other provision in this Act
29 concerning the time within which a serviceman may file his
30 return, in the case of any serviceman who ceases to engage in
31 a kind of business which makes him responsible for filing
32 returns under this Act, such serviceman shall file a final
33 return under this Act with the Department not more than 1
34 month after discontinuing such business.

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

18 Any serviceman filing a return hereunder shall also
19 include the total tax upon the selling price of tangible
20 personal property purchased for use by him as an incident to
21 a sale of service, and such serviceman shall remit the amount
22 of such tax to the Department when filing such return.

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

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

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

11 Beginning January 1, 1990, each month the Department
12 shall pay into the State and Local Sales Tax Reform Fund 20%
13 of the net revenue realized for the preceding month from the
14 6.25% general rate on transfers of tangible personal
15 property, other than tangible personal property which is
16 purchased outside Illinois at retail from a retailer and
17 which is titled or registered by an agency of this State's
18 government.

19 Beginning August 1, 2000, each month the Department shall
20 pay into the State and Local Sales Tax Reform Fund 100% of
21 the net revenue realized for the preceding month from the
22 1.25% rate on the selling price of motor fuel and gasohol.

23 Beginning July 1, 2001, each month the Department shall
24 pay into the Teach Illinois Fund 1.81% of the net revenue
25 realized for the preceding month from the 6.25% general rate
26 on the transfer of tangible personal property.

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

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

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

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

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

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

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

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

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

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

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

1 general rate on the selling price of tangible personal
2 property.

3 All remaining moneys received by the Department pursuant
4 to this Act shall be paid into the General Revenue Fund of
5 the State Treasury.

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

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

18 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
19 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
20 91-872, eff. 7-1-00.)

21 Section 25. The Service Occupation Tax Act is amended by
22 changing Section 9 as follows:

23 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

1 remitting the tax and supplying data to the Department on
2 request.

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

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

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

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

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

3 5. The amount of tax due;

4 5-5. The signature of the taxpayer; and

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

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
10 be due on the return shall be deemed assessed.

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

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

32 If the serviceman's average monthly tax liability to the
33 Department does not exceed \$50, the Department may authorize
34 his returns to be filed on an annual basis, with the return

1 for a given year being due by January 20 of the following
2 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
7 concerning the time within which a serviceman may file his
8 return, in the case of any serviceman who ceases to engage in
9 a kind of business which makes him responsible for filing
10 returns under this Act, such serviceman shall file a final
11 return under this Act with the Department not more than 1
12 month after discontinuing such business.

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
17 has an average monthly tax liability of \$100,000 or more
18 shall make all payments required by rules of the Department
19 by 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
23 1, 2000, a taxpayer who has an annual tax liability of
24 \$200,000 or more shall make all payments required by rules of
25 the Department by electronic funds transfer. The term
26 "annual tax liability" shall be the sum of the taxpayer's
27 liabilities under this Act, and under all other State and
28 local occupation and use tax laws administered by the
29 Department, for the immediately preceding calendar year. The
30 term "average monthly tax liability" means the sum of the
31 taxpayer's liabilities under this Act, and under all other
32 State and local occupation and use tax laws administered by
33 the Department, for the immediately preceding calendar year
34 divided by 12.

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

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

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

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

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

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

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

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

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

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

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

33 Beginning August 1, 2000, each month the Department shall
34 pay into the Local Government Tax Fund 80% of the net revenue

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

3 Beginning July 1, 2001, each month the Department shall
4 pay into the Teach Illinois Fund 1.81% of the net revenue
5 realized for the preceding month from the 6.25% general rate
6 on the transfer of tangible personal property.

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

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

1 Department pursuant to this Act and required to be deposited
 2 into the Build Illinois Fund are subject to the pledge, claim
 3 and charge set forth in Section 12 of the Build Illinois Bond
 4 Act.

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

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

1	2009	120,000,000
2	2010	126,000,000
3	2011	132,000,000
4	2012	138,000,000
5	2013 and	145,000,000

6 each fiscal year
7 thereafter that bonds
8 are outstanding under
9 Section 13.2 of the
10 Metropolitan Pier and
11 Exposition Authority

12 Act, but not after fiscal year 2029.

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

26 Subject to payment of amounts into the Build Illinois
27 Fund and the McCormick Place Expansion Project Fund pursuant
28 to the preceding paragraphs or in any amendment thereto
29 hereafter enacted, each month the Department shall pay into
30 the Local Government Distributive Fund 0.4% of the net
31 revenue realized for the preceding month from the 5% general
32 rate or 0.4% of 80% of the net revenue realized for the
33 preceding month from the 6.25% general rate, as the case may
34 be, on the selling price of tangible personal property which

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

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

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

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

1 return, opening and closing inventories of such goods for
2 such year, cost of goods used from stock or taken from stock
3 and given away by the taxpayer during such year, pay roll
4 information of the taxpayer's business during such year and
5 any additional reasonable information which the Department
6 deems would be helpful in determining the accuracy of the
7 monthly, quarterly or annual returns filed by such taxpayer
8 as hereinbefore provided for in this Section.

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

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

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

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

30 The foregoing portion of this Section concerning the
31 filing of an annual information return shall not apply to a
32 serviceman who is not required to file an income tax return
33 with the United States Government.

34 As soon as possible after the first day of each month,

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

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

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

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

23 Section 30. The Retailers' Occupation Tax Act is amended
24 by changing Section 3 as follows:

25 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

- 31 1. The name of the seller;
- 32 2. His residence address and the address of his

1 principal place of business and the address of the
2 principal place of business (if that is a different
3 address) from which he engages in the business of selling
4 tangible personal property at retail in this State;

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

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

15 5. Deductions allowed by law;

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

19 7. The amount of credit provided in Section 2d of
20 this Act;

21 8. The amount of tax due;

22 9. The signature of the taxpayer; and

23 10. Such other reasonable information as the
24 Department may require.

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

29 Each return shall be accompanied by the statement of
30 prepaid tax issued pursuant to Section 2e for which credit is
31 claimed.

32 A retailer may accept a Manufacturer's Purchase Credit
33 certification from a purchaser in satisfaction of Use Tax as
34 provided in Section 3-85 of the Use Tax Act if the purchaser

1 provides the appropriate documentation as required by Section
2 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
3 certification, accepted by a retailer as provided in Section
4 3-85 of the Use Tax Act, may be used by that retailer to
5 satisfy Retailers' Occupation Tax liability in the amount
6 claimed in the certification, not to exceed 6.25% of the
7 receipts subject to tax from a qualifying purchase.

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

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

30 If a total amount of less than \$1 is payable, refundable
31 or creditable, such amount shall be disregarded if it is less
32 than 50 cents and shall be increased to \$1 if it is 50 cents
33 or more.

34 Beginning October 1, 1993, a taxpayer who has an average

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

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

28 Any taxpayer not required to make payments by electronic
29 funds transfer may make payments by electronic funds transfer
30 with the permission of the Department.

31 All taxpayers required to make payment by electronic
32 funds transfer and any taxpayers authorized to voluntarily
33 make payments by electronic funds transfer shall make those
34 payments in the manner authorized by the Department.

1 The Department shall adopt such rules as are necessary to
2 effectuate a program of electronic funds transfer and the
3 requirements of this Section.

4 Any amount which is required to be shown or reported on
5 any return or other document under this Act shall, if such
6 amount is not a whole-dollar amount, be increased to the
7 nearest whole-dollar amount in any case where the fractional
8 part of a dollar is 50 cents or more, and decreased to the
9 nearest whole-dollar amount where the fractional part of a
10 dollar is less than 50 cents.

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

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

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

31 Notwithstanding any other provision in this Act
32 concerning the time within which a retailer may file his
33 return, in the case of any retailer who ceases to engage in a
34 kind of business which makes him responsible for filing

1 returns under this Act, such retailer shall file a final
2 return under this Act with the Department not more than one
3 month after discontinuing such business.

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

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

34 Any retailer who sells only motor vehicles, watercraft,

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

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

29 The transaction reporting return in the case of
30 watercraft or aircraft must show the name and address of the
31 seller; the name and address of the purchaser; the amount of
32 the selling price including the amount allowed by the
33 retailer for traded-in property, if any; the amount allowed
34 by the retailer for the traded-in tangible personal property,

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

12 Such transaction reporting return shall be filed not
13 later than 20 days after the day of delivery of the item that
14 is being sold, but may be filed by the retailer at any time
15 sooner than that if he chooses to do so. The transaction
16 reporting return and tax remittance or proof of exemption
17 from the Illinois use tax 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
27 the case), to the Department or its agents, whereupon the
28 Department shall issue, in the purchaser's name, a use tax
29 receipt (or a certificate of exemption if the Department is
30 satisfied that the particular sale is tax exempt) which such
31 purchaser may submit to the agency with which, or State
32 officer with whom, he must title or register the tangible
33 personal property that is involved (if titling or
34 registration is required) in support of such purchaser's

1 application for an Illinois certificate or other evidence of
2 title or registration to such tangible personal property.

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

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

30 Refunds made by the seller during the preceding return
31 period to purchasers, on account of tangible personal
32 property returned to the seller, shall be allowed as a
33 deduction under subdivision 5 of his monthly or quarterly
34 return, as the case may be, in case the seller had

1 theretofore included the receipts from the sale of such
2 tangible personal property in a return filed by him and had
3 paid the tax imposed by this Act with respect to such
4 receipts.

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

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

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

29 Before October 1, 2000, if the taxpayer's average monthly
30 tax liability to the Department under this Act, the Use Tax
31 Act, the Service Occupation Tax Act, and the Service Use Tax
32 Act, excluding any liability for prepaid sales tax to be
33 remitted in accordance with Section 2d of this Act, was
34 \$10,000 or more during the preceding 4 complete calendar

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

1 month of the preceding year. If the month during which such
2 tax liability is incurred begins on or after January 1, 1988,
3 and prior to January 1, 1989, or begins on or after January
4 1, 1996, each payment shall be in an amount equal to 22.5% of
5 the taxpayer's actual liability for the month or 25% of the
6 taxpayer's liability for the same calendar month of the
7 preceding year. If the month during which such tax liability
8 is incurred begins on or after January 1, 1989, and prior to
9 January 1, 1996, each payment shall be in an amount equal to
10 22.5% of the taxpayer's actual liability for the month or 25%
11 of the taxpayer's liability for the same calendar month of
12 the preceding year or 100% of the taxpayer's actual liability
13 for the quarter monthly reporting period. The amount of such
14 quarter monthly payments shall be credited against the final
15 tax liability of the taxpayer's return for that month.
16 Before October 1, 2000, once applicable, the requirement of
17 the making of quarter monthly payments to the Department by
18 taxpayers having an average monthly tax liability of \$10,000
19 or more as determined in the manner provided above shall
20 continue until such taxpayer's average monthly liability to
21 the Department during the preceding 4 complete calendar
22 quarters (excluding the month of highest liability and the
23 month of lowest liability) is less than \$9,000, or until such
24 taxpayer's average monthly liability to the Department as
25 computed for each calendar quarter of the 4 preceding
26 complete calendar quarter period is less than \$10,000.
27 However, if a taxpayer can show the Department that a
28 substantial change in the taxpayer's business has occurred
29 which causes the taxpayer to anticipate that his average
30 monthly tax liability for the reasonably foreseeable future
31 will fall below the \$10,000 threshold stated above, then such
32 taxpayer may petition the Department for a change in such
33 taxpayer's reporting status. On and after October 1, 2000,
34 once applicable, the requirement of the making of quarter

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

31 Without regard to whether a taxpayer is required to make
32 quarter monthly payments as specified above, any taxpayer who
33 is required by Section 2d of this Act to collect and remit
34 prepaid taxes and has collected prepaid taxes which average

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

33 If any payment provided for in this Section exceeds the
34 taxpayer's liabilities under this Act, the Use Tax Act, the

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

22 If a retailer of motor fuel is entitled to a credit under
23 Section 2d of this Act which exceeds the taxpayer's liability
24 to the Department under this Act for the month which the
25 taxpayer is filing a return, the Department shall issue the
26 taxpayer a credit memorandum for the excess.

27 Beginning January 1, 1990, each month the Department
28 shall pay into the Local Government Tax Fund, a special fund
29 in the State treasury which is hereby created, the net
30 revenue realized for the preceding month from the 1% tax on
31 sales of food for human consumption which is to be consumed
32 off the premises where it is sold (other than alcoholic
33 beverages, soft drinks and food which has been prepared for
34 immediate consumption) and prescription and nonprescription

1 medicines, drugs, medical appliances and insulin, urine
2 testing materials, syringes and needles used by diabetics.

3 Beginning January 1, 1990, each month the Department
4 shall pay into the County and Mass Transit District Fund, a
5 special fund in the State treasury which is hereby created,
6 4% of the net revenue realized for the preceding month from
7 the 6.25% general rate.

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

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

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

21 Beginning July 1, 2001, each month the Department shall
22 pay into the Teach Illinois Fund 1.81% of the net revenues
23 realized for the preceding month from the 6.25% general rate
24 on the selling price of tangible personal property.

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

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

12	Fiscal Year	Annual Specified Amount
13	1986	\$54,800,000
14	1987	\$76,650,000
15	1988	\$80,480,000
16	1989	\$88,510,000
17	1990	\$115,330,000
18	1991	\$145,470,000
19	1992	\$182,730,000
20	1993	\$206,520,000;

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

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

1 charge set forth in Section 12 of the Build Illinois Bond
2 Act.

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

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

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

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
10 Act, but not after fiscal year 2029.

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

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

1 payments or distributions pursuant to this paragraph shall be
2 made if the tax imposed by this Act on photoprocessing
3 products is declared unconstitutional, or if the proceeds
4 from such tax are unavailable for distribution because of
5 litigation.

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

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

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

1 return, opening and closing inventories of such goods for
2 such year, costs of goods used from stock or taken from stock
3 and given away by the retailer during such year, payroll
4 information of the retailer's business during such year and
5 any additional reasonable information which the Department
6 deems would be helpful in determining the accuracy of the
7 monthly, quarterly or annual returns filed by such retailer
8 as provided for in this Section.

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

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

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

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

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

34 As soon as possible after the first day of each month,

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

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

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

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

1 subject to a fine not to exceed \$250.

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

23 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
24 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
25 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
26 eff. 1-1-01; revised 8-30-00.)

27 Section 35. The School Code is amended by adding Sections
28 18-21, 18-22, 18-23, 18-24, and 18-25 as follows:

29 (105 ILCS 5/18-21 new)

30 Sec. 18-21. Teach Illinois Fund. The Teach Illinois Fund
31 is created as a special fund in the State treasury. Amounts
32 deposited into the Teach Illinois Fund shall be allocated and

1 distributed to school districts in accordance with Section
2 18-22 of this Code.

3 (105 ILCS 5/18-22 new)

4 Sec. 18-22. Allocation and disbursement of Teach Illinois
5 Fund. Beginning January 1, 2002, on the first day of each
6 month the Department of Revenue shall allocate among the
7 several school districts of this State, except those school
8 districts determined to be ineligible or not participating as
9 provided in Section 18-25 of this Code, the amount available
10 in the Teach Illinois Fund. The Department shall then certify
11 these allocations to the State Comptroller, who shall pay
12 over to the State Board of Education for distribution to the
13 several school districts the respective amounts allocated to
14 the districts. The amount of the Fund allocable to each
15 school district shall be in the proportion that the average
16 daily attendance of that school district bears to the
17 difference between the total average daily attendance of all
18 school districts of the State and the average daily
19 attendance of those school districts that are ineligible for
20 or choose not to receive distributions from the Fund as
21 provided in Section 18-25 of this Code, determined in each
22 case on the basis of the most recently available average
23 daily attendance figures of the several school districts of
24 this State as annually computed by the State Board and
25 certified by the State Superintendent of Education to the
26 Department of Revenue.

27 Subject to appropriation, in January of each year, before
28 the Department of Revenue determines the amount to be
29 allocated to each school district, the Comptroller shall
30 distribute \$100,000 from the Fund to the State Board for
31 expenses related to audits and certifications required under
32 Sections 18-24 and 18-25 of this Code.

1 (105 ILCS 5/18-23 new)

2 Sec. 18-23. Use of Teach Illinois Fund. The amount
3 allocated and distributed to the school districts of this
4 State under Section 18-22 of this Code shall be deposited in
5 a segregated fund by each school district and shall be used
6 by each district solely for the purpose of employing
7 additional classroom teachers and paying their compensation.
8 For purposes of this Section, "compensation" means all wages,
9 salaries, benefits, and any other form of remuneration
10 payable to an additional classroom teacher employed by a
11 school district; and "additional classroom teacher" means a
12 classroom teacher who is employed to fill a newly created
13 position and whose employment increases the aggregate number
14 of classroom teaching positions within the district, or a
15 classroom teacher employed to fill a position held or vacated
16 by a person initially employed as an additional classroom
17 teacher as defined in this Section, but the term does not
18 include a newly hired teacher who is employed to fill an
19 existing classroom teaching position that is currently or was
20 last held by another teacher who was not initially employed
21 as an additional classroom teacher. In the event the
22 amounts allocated and distributed to a school district under
23 Section 18-22 in any school year are not sufficient, after
24 paying the compensation of any additional classroom teachers
25 already employed by the district, to employ and pay the
26 compensation of any new additional classroom teacher or
27 teachers, or in the event a school district already employs
28 the maximum number of additional classroom teachers that can
29 be beneficially and efficiently used to educate the students
30 of the district and the amounts allocated and distributed to
31 the district under Section 18-22 in any school year exceed
32 the amount required by the district to pay the compensation
33 of those additional classroom teachers, then the district
34 shall use and apply those funds to provide further training

1 or continuing education or both for teachers, including
2 additional classroom teachers, already employed by the
3 district or to assist in paying the compensation of those
4 teachers.

5 (105 ILCS 5/18-24 new)

6 Sec. 18-24. Teach Illinois Fund audits. The State Board
7 of Education shall conduct random audits of school districts
8 receiving distributions from the State Board of funds
9 appropriated from the Teach Illinois Fund to ensure that all
10 proceeds from that Fund are being used solely for the
11 purposes set forth in Section 18-23 of this Code.

12 (105 ILCS 5/18-25 new)

13 Sec. 18-25. Certification to the Department of Revenue.
14 In the event that the State Board of Education determines
15 that a school district has not used funds received from the
16 Teach Illinois Fund exclusively as required by Section 18-23
17 of this Code, the school district is ineligible to receive
18 any funds from the Teach Illinois Fund for a period of one
19 year from the date the school district is certified to be
20 ineligible. The State Board shall certify the name of each
21 school district determined to be in violation of Section
22 18-23 of this Code to the Department of Revenue, which shall
23 withhold payments to that school district for a period of one
24 year from the date the school district is certified to be
25 ineligible.

26 A school district may, at any time, notify the State
27 Board that it does not wish to receive funds from the Teach
28 Illinois Fund. The State Board shall certify the name of each
29 such school district to the Department of Revenue, which
30 shall terminate all future allocations from the Fund for that
31 school district.

32 A school district that has notified the State Board that

1 it does not wish to receive funds from the Teach Illinois
2 Fund may subsequently notify the State Board that it does
3 wish to receive funds from that Fund. The Board shall certify
4 to the Department of Revenue the name of each school district
5 that so notifies the State Board. Beginning with the month
6 following the month in which the Department of Revenue
7 receives the certification from the State Board, the
8 Department of Revenue shall allocate a portion of the moneys
9 in the Fund to that school district, as provided in Section
10 18-22 of this Code.

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

1 INDEX

2 Statutes amended in order of appearance

3 30 ILCS 105/5.545 new

4 35 ILCS 5/901 from Ch. 120, par. 9-901

5 35 ILCS 105/9 from Ch. 120, par. 439.9

6 35 ILCS 110/9 from Ch. 120, par. 439.39

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

8 35 ILCS 120/3 from Ch. 120, par. 442

9 105 ILCS 5/18-21 new

10 105 ILCS 5/18-22 new

11 105 ILCS 5/18-23 new

12 105 ILCS 5/18-24 new

13 105 ILCS 5/18-25 new