

1 AN ACT concerning taxation.

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

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

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

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

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

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

3 A portion of the money paid into the Local Government Tax
4 Fund from the 6.25% general rate (and, beginning July 1, 2000
5 and through December 31, 2000, the 1.25% rate on motor fuel
6 and gasohol and, beginning on December 1, 2001, and through
7 April 30, 2002, the 1.25% rate on propane and home heating
8 oil sold to residential customers) on sales subject to
9 taxation under the Retailers' Occupation Tax Act and the
10 Service Occupation Tax Act, which occurred in municipalities,
11 shall be distributed to each municipality, based upon the
12 sales which occurred in that municipality. The remainder
13 shall be distributed to each county, based upon the sales
14 which occurred in the unincorporated area of such county.

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

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

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

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

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

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

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

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

11 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

12 Sec. 6z-20. Of the money received from the 6.25% general
13 rate (and, beginning July 1, 2000 and through December 31,
14 2000, the 1.25% rate on motor fuel and gasohol and, beginning
15 on December 1, 2001, and through April 30, 2002, the 1.25%
16 rate on propane and home heating oil sold to residential
17 customers) on sales subject to taxation under the Retailers'
18 Occupation Tax Act and Service Occupation Tax Act and paid
19 into the County and Mass Transit District Fund, distribution
20 to the Regional Transportation Authority tax fund, created
21 pursuant to Section 4.03 of the Regional Transportation
22 Authority Act, for deposit therein shall be made based upon
23 the retail sales occurring in a county having more than
24 3,000,000 inhabitants. The remainder shall be distributed to
25 each county having 3,000,000 or fewer inhabitants based upon
26 the retail sales occurring in each such county.

27 For the purpose of determining allocation to the local
28 government unit, a retail sale by a producer of coal or other
29 mineral mined in Illinois is a sale at retail at the place
30 where the coal or other mineral mined in Illinois is
31 extracted from the earth. This paragraph does not apply to
32 coal or other mineral when it is delivered or shipped by the
33 seller to the purchaser at a point outside Illinois so that

1 the sale is exempt under the United States Constitution as a
2 sale in interstate or foreign commerce.

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

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

30 On or before the 25th day of each calendar month, the
31 Department shall prepare and certify to the Comptroller the
32 disbursement of stated sums of money to the Regional
33 Transportation Authority and to named counties, the counties
34 to be those entitled to distribution, as hereinabove

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

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

30 The provisions directing the distributions from the
31 special fund in the State Treasury provided for in this
32 Section and from the Regional Transportation Authority tax
33 fund created by Section 4.03 of the Regional Transportation
34 Authority Act shall constitute an irrevocable and continuing

1 appropriation of all amounts as provided herein. The State
2 Treasurer and State Comptroller are hereby authorized to make
3 distributions as provided in this Section.

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

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

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

16 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

17 Sec. 3-10. Rate of tax. Unless otherwise provided in
18 this Section, the tax imposed by this Act is at the rate of
19 6.25% of either the selling price or the fair market value,
20 if any, of the tangible personal property. In all cases
21 where property functionally used or consumed is the same as
22 the property that was purchased at retail, then the tax is
23 imposed on the selling price of the property. In all cases
24 where property functionally used or consumed is a by-product
25 or waste product that has been refined, manufactured, or
26 produced from property purchased at retail, then the tax is
27 imposed on the lower of the fair market value, if any, of the
28 specific property so used in this State or on the selling
29 price of the property purchased at retail. For purposes of
30 this Section "fair market value" means the price at which
31 property would change hands between a willing buyer and a
32 willing seller, neither being under any compulsion to buy or

1 sell and both having reasonable knowledge of the relevant
2 facts. The fair market value shall be established by Illinois
3 sales by the taxpayer of the same property as that
4 functionally used or consumed, or if there are no such sales
5 by the taxpayer, then comparable sales or purchases of
6 property of like kind and character in Illinois.

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

11 With respect to gasohol, the tax imposed by this Act
12 applies to 70% of the proceeds of sales made on or after
13 January 1, 1990, and before July 1, 2003, and to 100% of the
14 proceeds of sales made thereafter.

15 Beginning on December 1, 2001, and through April 30,
16 2002, with respect to propane and home heating oil sold to
17 residential customers, the tax is imposed at the rate of
18 1.25%.

19 With respect to food for human consumption that is to be
20 consumed off the premises where it is sold (other than
21 alcoholic beverages, soft drinks, and food that has been
22 prepared for immediate consumption) and prescription and
23 nonprescription medicines, drugs, medical appliances,
24 modifications to a motor vehicle for the purpose of rendering
25 it usable by a disabled person, and insulin, urine testing
26 materials, syringes, and needles used by diabetics, for human
27 use, the tax is imposed at the rate of 1%. For the purposes
28 of this Section, the term "soft drinks" means any complete,
29 finished, ready-to-use, non-alcoholic drink, whether
30 carbonated or not, including but not limited to soda water,
31 cola, fruit juice, vegetable juice, carbonated water, and all
32 other preparations commonly known as soft drinks of whatever
33 kind or description that are contained in any closed or
34 sealed bottle, can, carton, or container, regardless of size.

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

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

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

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

20 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

21 Sec. 9. Except as to motor vehicles, watercraft,
22 aircraft, and trailers that are required to be registered
23 with an agency of this State, each retailer required or
24 authorized to collect the tax imposed by this Act shall pay
25 to the Department the amount of such tax (except as otherwise
26 provided) at the time when he is required to file his return
27 for the period during which such tax was collected, less a
28 discount of 2.1% prior to January 1, 1990, and 1.75% on and
29 after January 1, 1990, or \$5 per calendar year, whichever is
30 greater, which is allowed to reimburse the retailer for
31 expenses incurred in collecting the tax, keeping records,
32 preparing and filing returns, remitting the tax and supplying
33 data to the Department on request. In the case of retailers

1 who report and pay the tax on a transaction by transaction
2 basis, as provided in this Section, such discount shall be
3 taken with each such tax remittance instead of when such
4 retailer files his periodic return. A retailer need not
5 remit that part of any tax collected by him to the extent
6 that he is required to remit and does remit the tax imposed
7 by the Retailers' Occupation Tax Act, with respect to the
8 sale of the same property.

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

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

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

- 33 1. The name of the seller;
- 34 2. The address of the principal place of business

1 from which he engages in the business of selling tangible
2 personal property at retail in this State;

3 3. The total amount of taxable receipts received by
4 him during the preceding calendar month from sales of
5 tangible personal property by him during such preceding
6 calendar month, including receipts from charge and time
7 sales, but less all deductions allowed by law;

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

10 5. The amount of tax due;

11 5-5. The signature of the taxpayer; and

12 6. Such other reasonable information as the
13 Department may require.

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

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

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

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

12 Any taxpayer not required to make payments by electronic
13 funds transfer may make payments by electronic funds transfer
14 with the permission of the Department.

15 All taxpayers required to make payment by electronic
16 funds transfer and any taxpayers authorized to voluntarily
17 make payments by electronic funds transfer shall make those
18 payments in the manner authorized by the Department.

19 The Department shall adopt such rules as are necessary to
20 effectuate a program of electronic funds transfer and the
21 requirements of this Section.

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

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

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

1 foreseeable future will fall below the \$20,000 threshold
2 stated above, then such taxpayer may petition the Department
3 for a change in such taxpayer's reporting status. The
4 Department shall change such taxpayer's reporting status
5 unless it finds that such change is seasonal in nature and
6 not likely to be long term. If any such quarter monthly
7 payment is not paid at the time or in the amount required by
8 this Section, then the taxpayer shall be liable for penalties
9 and interest on the difference between the minimum amount due
10 and the amount of such quarter monthly payment actually and
11 timely paid, except insofar as the taxpayer has previously
12 made payments for that month to the Department in excess of
13 the minimum payments previously due as provided in this
14 Section. The Department shall make reasonable rules and
15 regulations to govern the quarter monthly payment amount and
16 quarter monthly payment dates for taxpayers who file on other
17 than a calendar monthly basis.

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

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

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

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

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

32 Notwithstanding any other provision in this Act
33 concerning the time within which a retailer may file his
34 return, in the case of any retailer who ceases to engage in a

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

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

28 The transaction reporting return in the case of motor
29 vehicles or trailers that are required to be registered with
30 an agency of this State, shall be the same document as the
31 Uniform Invoice referred to in Section 5-402 of the Illinois
32 Vehicle Code and must show the name and address of the
33 seller; the name and address of the purchaser; the amount of
34 the selling price including the amount allowed by the

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

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

32 Such transaction reporting return shall be filed not
33 later than 20 days after the date of delivery of the item
34 that is being sold, but may be filed by the retailer at any

1 time sooner than that if he chooses to do so. The
2 transaction reporting return and tax remittance or proof of
3 exemption from the tax that is imposed by this Act may be
4 transmitted to the Department by way of the State agency with
5 which, or State officer with whom, the tangible personal
6 property must be titled or registered (if titling or
7 registration is required) if the Department and such agency
8 or State officer determine that this procedure will expedite
9 the processing of applications for title or registration.

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

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

31 If the user who would otherwise pay tax to the retailer
32 wants the transaction reporting return filed and the payment
33 of tax or proof of exemption made to the Department before
34 the retailer is willing to take these actions and such user

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

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

32 Any retailer filing a return under this Section shall
33 also include (for the purpose of paying tax thereon) the
34 total tax covered by such return upon the selling price of

1 tangible personal property purchased by him at retail from a
2 retailer, but as to which the tax imposed by this Act was not
3 collected from the retailer filing such return, and such
4 retailer shall remit the amount of such tax to the Department
5 when filing such return.

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

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

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

29 Beginning January 1, 1990, each month the Department
30 shall pay into the County and Mass Transit District Fund 4%
31 of the net revenue realized for the preceding month from the
32 6.25% general rate on the selling price of tangible personal
33 property which is purchased outside Illinois at retail from a
34 retailer and which is titled or registered by an agency of

1 this State's government.

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

10 Beginning August 1, 2000, each month the Department shall
11 pay into the State and Local Sales Tax Reform Fund 100% of
12 the net revenue realized for the preceding month from the
13 1.25% rate on the selling price of motor fuel and gasohol.

14 Beginning on January 1, 2002, each month the Department
15 shall pay into the State and Local Sales Tax Reform Fund 100%
16 of the net revenue realized for the preceding month from the
17 1.25% rate on the selling price of propane and home heating
18 oil sold to residential customers.

19 Beginning January 1, 1990, each month the Department
20 shall pay into the Local Government Tax Fund 16% 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 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 Of the remainder of the moneys received by the Department
27 pursuant to this Act, (a) 1.75% thereof shall be paid into
28 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
29 and on and after July 1, 1989, 3.8% thereof shall be paid
30 into the Build Illinois Fund; provided, however, that if in
31 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
32 as the case may be, of the moneys received by the Department
33 and required to be paid into the Build Illinois Fund pursuant
34 to Section 3 of the Retailers' Occupation Tax Act, Section 9

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

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

24 Subject to payment of amounts into the Build Illinois
25 Fund as provided in the preceding paragraph or in any
26 amendment thereto hereafter enacted, the following specified
27 monthly installment of the amount requested in the
28 certificate of the Chairman of the Metropolitan Pier and
29 Exposition Authority provided under Section 8.25f of the
30 State Finance Act, but not in excess of the sums designated
31 as "Total Deposit", shall be deposited in the aggregate from
32 collections under Section 9 of the Use Tax Act, Section 9 of
33 the Service Use Tax Act, Section 9 of the Service Occupation
34 Tax Act, and Section 3 of the Retailers' Occupation Tax Act

1 into the McCormick Place Expansion Project Fund in the
2 specified fiscal years.

3	Fiscal Year	Total Deposit
4	1993	\$0
5	1994	53,000,000
6	1995	58,000,000
7	1996	61,000,000
8	1997	64,000,000
9	1998	68,000,000
10	1999	71,000,000
11	2000	75,000,000
12	2001	80,000,000
13	2002	84,000,000
14	2003	89,000,000
15	2004	93,000,000
16	2005	97,000,000
17	2006	102,000,000
18	2007	108,000,000
19	2008	115,000,000
20	2009	120,000,000
21	2010	126,000,000
22	2011	132,000,000
23	2012	138,000,000
24	2013 and	145,000,000

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

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

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

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

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

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

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

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

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

26 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
27 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
28 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
29 eff. 1-1-01; revised 8-30-00.)

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

32 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

12 Beginning on December 1, 2001, and through April 30,
13 2002, with respect to propane and home heating oil sold to
14 residential customers, the tax is imposed at the rate of
15 1.25%.

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

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

31 The tax shall be imposed at the rate of 1% on food
32 prepared for immediate consumption and transferred incident
33 to a sale of service subject to this Act or the Service
34 Occupation Tax Act by an entity licensed under the Hospital

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

23 Notwithstanding any other provisions of this Act, "food
24 for human consumption that is to be consumed off the premises
25 where it is sold" includes all food sold through a vending
26 machine, except soft drinks and food products that are
27 dispensed hot from a vending machine, regardless of the
28 location of the vending machine.

29 If the property that is acquired from a serviceman is
30 acquired outside Illinois and used outside Illinois before
31 being brought to Illinois for use here and is taxable under
32 this Act, the "selling price" on which the tax is computed
33 shall be reduced by an amount that represents a reasonable
34 allowance for depreciation for the period of prior

1 out-of-state use.

2 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
3 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
4 7-1-00.)

5 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

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

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

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

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

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

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

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

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

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

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

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

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

1 being due by January 20 of the following year.

2 If the serviceman is otherwise required to file a monthly
3 or quarterly return and if the serviceman's average monthly
4 tax liability to the Department does not exceed \$50, the
5 Department may authorize his returns to be filed on an annual
6 basis, with the return for a given year being due by January
7 20 of the following year.

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

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

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

1 Any serviceman filing a return hereunder shall also
2 include the total tax upon the selling price of tangible
3 personal property purchased for use by him as an incident to
4 a sale of service, and such serviceman shall remit the amount
5 of such tax to the Department when filing such return.

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

12 Where the serviceman has more than one business
13 registered with the Department under separate registration
14 hereunder, such serviceman shall not file each return that is
15 due as a single return covering all such registered
16 businesses, but shall file separate returns for each such
17 registered business.

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

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

1 government.

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

6 Beginning on January 1, 2002, each month the Department
7 shall pay into the State and Local Sales Tax Reform Fund 100%
8 of the net revenue realized for the preceding month from the
9 1.25% rate on the selling price of propane and home heating
10 oil sold to residential customers.

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

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

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

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

22	Fiscal Year	Total Deposit
23	1993	\$0
24	1994	53,000,000
25	1995	58,000,000
26	1996	61,000,000
27	1997	64,000,000
28	1998	68,000,000
29	1999	71,000,000
30	2000	75,000,000
31	2001	80,000,000
32	2002	84,000,000
33	2003	89,000,000
34	2004	93,000,000

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

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

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

30 Subject to payment of amounts into the Build Illinois
 31 Fund and the McCormick Place Expansion Project Fund pursuant
 32 to the preceding paragraphs or in any amendment thereto
 33 hereafter enacted, each month the Department shall pay into
 34 the Local Government Distributive Fund 0.4% of the net

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

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

21 All remaining moneys received by the Department pursuant
22 to this Act shall be paid into the General Revenue Fund of
23 the State Treasury.

24 As soon as possible after the first day of each month,
25 upon certification of the Department of Revenue, the
26 Comptroller shall order transferred and the Treasurer shall
27 transfer from the General Revenue Fund to the Motor Fuel Tax
28 Fund an amount equal to 1.7% of 80% of the net revenue
29 realized under this Act for the second preceding month.
30 Beginning April 1, 2000, this transfer is no longer required
31 and shall not be made.

32 Net revenue realized for a month shall be the revenue
33 collected by the State pursuant to this Act, less the amount
34 paid out during that month as refunds to taxpayers for

1 overpayment of liability.
2 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
3 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
4 91-872, eff. 7-1-00.)

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

7 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

30 Beginning on December 1, 2001, and through April 30,
31 2002, with respect to propane and home heating oil sold to
32 residential customers, the tax is imposed at the rate of

1 1.25%.

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

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

17 The tax shall be imposed at the rate of 1% on food
18 prepared for immediate consumption and transferred incident
19 to a sale of service subject to this Act or the Service
20 Occupation Tax Act by an entity licensed under the Hospital
21 Licensing Act, the Nursing Home Care Act, or the Child Care
22 Act of 1969. The tax shall also be imposed at the rate of 1%
23 on food for human consumption that is to be consumed off the
24 premises where it is sold (other than alcoholic beverages,
25 soft drinks, and food that has been prepared for immediate
26 consumption and is not otherwise included in this paragraph)
27 and prescription and nonprescription medicines, drugs,
28 medical appliances, modifications to a motor vehicle for the
29 purpose of rendering it usable by a disabled person, and
30 insulin, urine testing materials, syringes, and needles used
31 by diabetics, for human use. For the purposes of this
32 Section, the term "soft drinks" means any complete, finished,
33 ready-to-use, non-alcoholic drink, whether carbonated or not,
34 including but not limited to soda water, cola, fruit juice,

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

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

15 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
16 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

17 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

18 Sec. 9. Each serviceman required or authorized to
19 collect the tax herein imposed shall pay to the Department
20 the amount of such tax at the time when he is required to
21 file his return for the period during which such tax was
22 collectible, less a discount of 2.1% prior to January 1,
23 1990, and 1.75% on and after January 1, 1990, or \$5 per
24 calendar year, whichever is greater, which is allowed to
25 reimburse the serviceman for expenses incurred in collecting
26 the tax, keeping records, preparing and filing returns,
27 remitting the tax and supplying data to the Department on
28 request.

29 Where such tangible personal property is sold under a
30 conditional sales contract, or under any other form of sale
31 wherein the payment of the principal sum, or a part thereof,
32 is extended beyond the close of the period for which the
33 return is filed, the serviceman, in collecting the tax may

1 collect, for each tax return period, only the tax applicable
2 to the part of the selling price actually received during
3 such tax return period.

4 Except as provided hereinafter in this Section, on or
5 before the twentieth day of each calendar month, such
6 serviceman shall file a return for the preceding calendar
7 month in accordance with reasonable rules and regulations to
8 be promulgated by the Department of Revenue. Such return
9 shall be filed on a form prescribed by the Department and
10 shall contain such information as the Department may
11 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 A serviceman may accept a Manufacturer's Purchase Credit
5 certification from a purchaser in satisfaction of Service Use
6 Tax as provided in Section 3-70 of the Service Use Tax Act if
7 the purchaser provides the appropriate documentation as
8 required by Section 3-70 of the Service Use Tax Act. A
9 Manufacturer's Purchase Credit certification, accepted by a
10 serviceman as provided in Section 3-70 of the Service Use Tax
11 Act, may be used by that serviceman to satisfy Service
12 Occupation Tax liability in the amount claimed in the
13 certification, not to exceed 6.25% of the receipts subject to
14 tax from a qualifying purchase.

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

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

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

33 Notwithstanding any other provision in this Act
34 concerning the time within which a serviceman may file his

1 return, in the case of any serviceman who ceases to engage in
2 a kind of business which makes him responsible for filing
3 returns under this Act, such serviceman shall file a final
4 return under this Act with the Department not more than 1
5 month after discontinuing such business.

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

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

34 Any taxpayer not required to make payments by electronic

1 funds transfer may make payments by electronic funds transfer
2 with the permission of the Department.

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

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

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

28 If experience indicates such action to be practicable,
29 the Department may prescribe and furnish a combination or
30 joint return which will enable servicemen, who are required
31 to file returns hereunder and also under the Retailers'
32 Occupation Tax Act, the Use Tax Act or the Service Use Tax
33 Act, to furnish all the return information required by all
34 said Acts on the one form.

1 Where the serviceman has more than one business
2 registered with the Department under separate registrations
3 hereunder, such serviceman shall file separate returns for
4 each registered business.

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

14 Beginning January 1, 1990, each month the Department
15 shall pay into the County and Mass Transit District Fund 4%
16 of the revenue realized for the preceding month from the
17 6.25% general rate.

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

22 Beginning on January 1, 2002, each month the Department
23 shall pay into the County and Mass Transit District Fund 20%
24 of the net revenue realized for the preceding month from the
25 1.25% rate on the selling price of propane and home heating
26 oil sold to residential customers.

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

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

1 Beginning on January 1, 2002, each month the Department
2 shall pay into the Local Government Tax Fund 80% of the net
3 revenue realized for the preceding month from the 1.25% rate
4 on the selling price of propane and home heating oil sold to
5 residential customers.

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

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

1 into the Build Illinois Fund are subject to the pledge, claim
 2 and charge set forth in Section 12 of the Build Illinois Bond
 3 Act.

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

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

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

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

11 Act, but not after fiscal year 2029.

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

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

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

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

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

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

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

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

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

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

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

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

33 As soon as possible after the first day of each month,
34 upon certification of the Department of Revenue, the

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

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

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

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

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

24 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

25 Sec. 2-10. Rate of tax. Unless otherwise provided in
26 this Section, the tax imposed by this Act is at the rate of
27 6.25% of gross receipts from sales of tangible personal
28 property made in the course of business.

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

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

16 With respect to gasohol, as defined in the Use Tax Act,
17 the tax imposed by this Act applies to 70% of the proceeds of
18 sales made on or after January 1, 1990, and before July 1,
19 2003, and to 100% of the proceeds of sales made thereafter.

20 Beginning on December 1, 2001, and through April 30,
21 2002, with respect to propane and home heating oil sold to
22 residential customers, the tax is imposed at the rate of
23 1.25%.

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

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

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

16 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
17 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

18 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

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

1 month or quarter;

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

7 5. Deductions allowed by law;

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

11 7. The amount of credit provided in Section 2d of
12 this Act;

13 8. The amount of tax due;

14 9. The signature of the taxpayer; and

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

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

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

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

34 The Department may require returns to be filed on a

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

8 1. The name of the seller;

9 2. The address of the principal place of business
10 from which he engages in the business of selling tangible
11 personal property at retail in this State;

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

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

19 5. The amount of tax due; and

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

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

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

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

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

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

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

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

30 Any amount which is required to be shown or reported on
31 any return or other document under this Act shall, if such
32 amount is not a whole-dollar amount, be increased to the
33 nearest whole-dollar amount in any case where the fractional
34 part of a dollar is 50 cents or more, and decreased to the

1 nearest whole-dollar amount where the fractional part of a
2 dollar is less than 50 cents.

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

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

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

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

30 Where the same person has more than one business
31 registered with the Department under separate registrations
32 under this Act, such person may not file each return that is
33 due as a single return covering all such registered
34 businesses, but shall file separate returns for each such

1 registered business.

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

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

34 The transaction reporting return, in the case of motor

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

21 The transaction reporting return in the case of
22 watercraft or aircraft 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 1 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, and such other information as the
3 Department may reasonably require.

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

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

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

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

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

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

31 Where the seller is a corporation, the return filed on
32 behalf of such corporation shall be signed by the president,
33 vice-president, secretary or treasurer or by the properly
34 accredited agent of such corporation.

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

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

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

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

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

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

23 Without regard to whether a taxpayer is required to make
24 quarter monthly payments as specified above, any taxpayer who
25 is required by Section 2d of this Act to collect and remit
26 prepaid taxes and has collected prepaid taxes which average
27 in excess of \$25,000 per month during the preceding 2
28 complete calendar quarters, shall file a return with the
29 Department as required by Section 2f and shall make payments
30 to the Department on or before the 7th, 15th, 22nd and last
31 day of the month during which such liability is incurred. If
32 the month during which such tax liability is incurred began
33 prior to the effective date of this amendatory Act of 1985,
34 each payment shall be in an amount not less than 22.5% of the

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

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

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

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

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

29 Beginning January 1, 1990, each month the Department
30 shall pay into the County and Mass Transit District Fund, a
31 special fund in the State treasury which is hereby created,
32 4% of the net revenue realized for the preceding month from
33 the 6.25% general rate.

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

1 pay into the County and Mass Transit District Fund 20% of the
2 net revenue realized for the preceding month from the 1.25%
3 rate on the selling price of motor fuel and gasohol.

4 Beginning on January 1, 2002, each month the Department
5 shall pay into the County and Mass Transit District Fund 20%
6 of the net revenue realized for the preceding month from the
7 1.25% rate on the selling price of propane and home heating
8 oil sold to residential customers.

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

18 Beginning on January 1, 2002, each month the Department
19 shall pay into the Local Government Tax Fund 80% of the net
20 revenue realized for the preceding month from the 1.25% rate
21 on the selling price of propane and home heating oil sold to
22 residential customers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 As soon as possible after the first day of each month,
34 upon certification of the Department of Revenue, the

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

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

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

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

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

22 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
 23 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
 24 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
 25 eff. 1-1-01; revised 1-15-01.)

26 Section 30. The Gas Revenue Tax Act is amended by
 27 changing Section 2 as follows:

28 (35 ILCS 615/2) (from Ch. 120, par. 467.17)

29 Sec. 2. Tax on use or consumption; imposed; rate.

30 (a) Except as provided in subsection (b), a tax is
 31 imposed upon persons engaged in the business of distributing,
 32 supplying, furnishing or selling gas to persons for use or

1 consumption and not for resale at the rate of 2.4 cents per
2 therm of all gas which is so distributed, supplied,
3 furnished, sold or transported to or for each customer in the
4 course of such business, or 5% of the gross receipts received
5 from each customer from such business, whichever is the lower
6 rate as applied to each customer for that customer's billing
7 period, provided that any change in rate imposed by this
8 amendatory Act of 1985 shall become effective only with bills
9 having a meter reading date on or after January 1, 1986.
10 However, such taxes are not imposed with respect to any
11 business in interstate commerce, or otherwise to the extent
12 to which such business may not, under the Constitution and
13 statutes of the United States, be made the subject of
14 taxation by this State.

15 Nothing in this amendatory Act of 1985 shall impose a tax
16 with respect to any transaction with respect to which no tax
17 was imposed immediately preceding the effective date of this
18 amendatory Act of 1985.

19 (b) No tax is imposed under this Section for gas
20 distributed, supplied, furnished, sold, or transported to a
21 residential customer if the bill to the residential customer
22 for such gas is issued between December 1, 2001, and April
23 30, 2002. For purposes of this subsection, "residential
24 customer" means a customer who is receiving gas or gas
25 service for household purposes which is either (i)
26 distributed to a dwelling of 2 or fewer units and billed
27 under a residential rate or (ii) distributed to a dwelling
28 unit or units, billed under a residential rate, and
29 registered by a separate meter for each dwelling unit.

30 (Source: P.A. 84-307; 84-1093.)

31 Section 99. Effective date. This Act takes effect upon
32 becoming law.