

1 AN ACT regarding Illinois resource development and energy
2 security.

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

5 Section 1. Short title. This Act may be cited as the
6 Illinois Resource Development and Energy Security Act.

7 Section 5. Findings. The General Assembly finds that:

8 (a) Growth of the State's population and economic base
9 has created a need for new electric generation capacity in
10 Illinois.

11 (b) Illinois has considerable natural resources that are
12 currently underutilized and could support development of new
13 electric power at an affordable price.

14 (c) The development of new electric generating capacity
15 is needed if the State is to continue to be successful in
16 attracting new businesses and jobs.

17 (d) Certain regions of the State, such as Southern
18 Illinois, could benefit greatly from new employment
19 opportunities created by development of electric generating
20 plants utilizing the plentiful supply of Illinois coal.

21 (e) Technology can be deployed that allows high-sulfur
22 Illinois coal to be burned efficiently while meeting strict
23 State and federal air quality limitations. Specifically, the
24 State of Illinois will encourage the use of advanced clean
25 coal technology, such as coal gasification.

26 (f) Renewable forms of energy should be promoted as an
27 important element of the energy and environmental policies of
28 the State and it is a goal of the State that at least 5% of
29 the State's energy production and use be derived from
30 renewable forms of energy by 2010 and at least 15% from
31 renewable forms of energy by 2020.

1 Section 10. Definitions. As used in this Act:

2 "Department" means the Illinois Department of Commerce
3 and Community Affairs.

4 Section 15. Purpose. The State of Illinois and its
5 people will benefit for many years to come if new electric
6 generating facilities are built that increase the in-State
7 capacity to provide for current and anticipated electricity
8 demand at a competitive price. The purpose of this Act is to
9 enhance the State's energy security by ensuring that: (i) the
10 State's vast and underutilized coal resources are tapped as a
11 fuel source for new electric plants; (ii) the electric
12 transmission system within the State is upgraded to more
13 efficiently distribute additional amounts of electricity;
14 (iii) well-paying jobs are created as new electric plants are
15 built in regions of the State with relatively high
16 unemployment; and (iv) pilot projects are undertaken to
17 explore the capacity of new, often renewable sources of
18 energy to contribute to the State's energy security.

19 Section 20. Rules. The Department is authorized to
20 adopt rules necessary to administer the requirements of this
21 Act. The Department may implement this Act through the use
22 of emergency rules in accordance with the provisions of
23 Section 5-45 of the Illinois Administrative Procedure Act.
24 For purposes of the Illinois Administrative Procedure Act,
25 the adoption of rules to implement this Act shall be deemed
26 an emergency and necessary for the public interest, safety,
27 and welfare.

28 Section 905. The Department of Commerce and Community
29 Affairs Law of the Civil Administrative Code of Illinois is
30 amended by adding Section 605-332 as follows:

1 (20 ILCS 605/605-332 new)
2 Sec. 605-332. Financial assistance to energy generation
3 facilities.

4 (a) As used in this Section:

5 "New electric generating facility" means a
6 newly-constructed electric generation plant or a newly
7 constructed generation capacity expansion at an existing
8 facility, including the transmission lines and associated
9 equipment that transfers electricity from points of supply to
10 points of delivery, and for which foundation construction
11 commenced not sooner than July 1, 2001, which is designed to
12 provide baseload electric generation operating on a
13 continuous basis throughout the year; and which has an
14 aggregate rated generating capacity of at least 400 megawatts
15 for all new units at one site, uses coal or gases derived
16 from coal as its primary fuel source, and supports the
17 creation of at least 150 new Illinois coal mining jobs.

18 "Eligible business" means an entity that proposes to
19 construct a new electric generating facility and that has
20 applied to the Department to receive financial assistance
21 pursuant to this Section. With respect to use and occupation
22 taxes, wherever there is a reference to taxes, that reference
23 means only those taxes paid on Illinois-mined coal used in a
24 new electric generating facility.

25 "Department" means the Illinois Department of Commerce
26 and Community Affairs.

27 (b) The Department is authorized to provide financial
28 assistance to eligible businesses for new electric generating
29 facilities from funds appropriated by the General Assembly as
30 further provided in this Section.

31 An eligible business seeking qualification for financial
32 assistance for a new electric generating facility, for
33 purposes of this Section only, shall apply to the Department
34 in the manner specified by the Department. An application

1 shall include, but not be limited to:

2 (1) the completion date of the new electric
3 generating facility for which financial assistance is
4 sought;

5 (2) copies of documentation deemed acceptable by
6 the Department establishing the total State occupation
7 and use taxes paid on Illinois-mined coal used at the new
8 electric generating facility for a minimum of 4 preceding
9 calendar quarters; and

10 (3) the amount of capital investment by the
11 eligible business in the new electric generating
12 facility.

13 The Department shall determine the maximum amount of
14 financial assistance for eligible businesses in accordance
15 with this paragraph. The Department shall not provide
16 financial assistance from general obligation bond funds to
17 any eligible business unless it receives a written
18 certification from the Director of the Bureau of the Budget
19 that 80% of the State occupation and use tax receipts for a
20 minimum of the preceding 4 calendar quarters for all eligible
21 businesses equal or exceed 110% of the maximum annual debt
22 service required with respect to general obligation bonds
23 issued for that purpose. The Department may provide
24 financial assistance not to exceed the amount of State
25 general obligation debt calculated as above, the amount of
26 capital investment in the energy generation facility, or
27 \$100,000,000, whichever is less. Financial assistance
28 received pursuant to this Section may be used for capital
29 facilities consisting of buildings, structures, durable
30 equipment, and land at the new electric generating facility.

31 An eligible business shall file a monthly report with the
32 Illinois Department of Revenue stating the amount of
33 Illinois-mined coal purchased during the previous month for
34 use in the new electric generating facility, the purchase

1 price of that coal, the amount of State occupation and use
2 taxes paid on that purchase to the seller of the
3 Illinois-mined coal, and such other information as that
4 Department may reasonably require. In sales of
5 Illinois-mined coal between related parties, the purchase
6 price of the coal must have been determined in an arms-length
7 transaction. The report shall be filed with the Illinois
8 Department of Revenue on or before the 20th day of each month
9 on a form provided by that Department. However, no report
10 need be filed by an eligible business in a month when it made
11 no reportable purchases of coal in the previous month. The
12 Illinois Department of Revenue shall provide a summary of
13 such reports to the Bureau of the Budget.

14 Upon granting financial assistance to an eligible
15 business, the Department shall certify the name of the
16 eligible business to the Illinois Department of Revenue.
17 Beginning with the receipt of the first report of State
18 occupation and use taxes paid by an eligible business and
19 continuing for a 25-year period, the Illinois Department of
20 Revenue shall each month pay into the Energy Infrastructure
21 Fund 80% of the net revenue realized from the 6.25% general
22 rate on the selling price of Illinois-mined coal that was
23 sold to an eligible business.

24 Section 910. The Illinois Enterprise Zone Act is amended
25 by changing Section 5.5 as follows:

26 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

27 Sec. 5.5. High Impact Business.

28 (a) In order to respond to unique opportunities to
29 assist in the encouragement, development, growth and
30 expansion of the private sector through large scale
31 investment and development projects, the Department is
32 authorized to receive and approve applications for the

1 designation of "High Impact Businesses" in Illinois subject
2 to the following conditions:

3 (1) such applications may be submitted at any time
4 during the year;

5 (2) such business is not located, at the time of
6 designation, in an enterprise zone designated pursuant to
7 this Act;

8 (3) (A) the business intends to make a minimum
9 investment of \$12,000,000 which will be placed in
10 service in qualified property and intends to create
11 500 full-time equivalent jobs at a designated
12 location in Illinois or intends to make a minimum
13 investment of \$30,000,000 which will be placed in
14 service in qualified property and intends to retain
15 1,500 full-time jobs at a designated location in
16 Illinois. The business must certify in writing that
17 the investments would not be placed in service in
18 qualified property and the job creation or job
19 retention would not occur without the tax credits
20 and exemptions set forth in subsection (b) of this
21 Section. The terms "placed in service" and
22 "qualified property" have the same meanings as
23 described in subsection (h) of Section 201 of the
24 Illinois Income Tax Act; or

25 (B) the business intends to establish a new
26 electric generating facility at a designated
27 location in Illinois. "New electric generating
28 facility" for purposes of this Section means a
29 newly-constructed electric generation plant or a
30 newly-constructed generation capacity expansion at
31 an existing electric generation plant, including the
32 transmission lines and associated equipment that
33 transfers electricity from points of supply to
34 points of delivery, and for which such new

1 foundation construction commenced not sooner than
2 July 1, 2001. Such facility shall be designed to
3 provide baseload electric generation and shall
4 operate on a continuous basis throughout the year;
5 and shall have an aggregate rated generating
6 capacity of at least 1,000 megawatts for all new
7 units at one site if it uses natural gas as its
8 primary fuel and foundation construction of the
9 facility is commenced on or before December 31,
10 2004, or shall have an aggregate rated generating
11 capacity of at least 400 megawatts for all new units
12 at one site if it uses coal or gases derived from
13 coal as its primary fuel and shall support the
14 creation of at least 150 new Illinois coal mining
15 jobs. The business must certify in writing that the
16 investments necessary to establish a new electric
17 generating facility would not be placed in service
18 and the job creation in the case of a coal-fueled
19 plant would not occur without the tax credits and
20 exemptions set forth in subsection (b-5) of this
21 Section. The term "placed in service" has the same
22 meaning as described in subsection (h) of Section
23 201 of the Illinois Income Tax Act; or

24 (C) the business intends to establish
25 production operations at a new coal mine,
26 re-establish production operations at a closed coal
27 mine, or expand production at an existing coal mine
28 at a designated location in Illinois not sooner than
29 July 1, 2001; provided that the production
30 operations result in the creation of 150 new
31 Illinois coal mining jobs as described in
32 subdivision (a)(3)(B) of this Section, and further
33 provided that the coal extracted from such mine is
34 utilized as the predominant source for a new

1 electric generating facility. The business must
 2 certify in writing that the investments necessary to
 3 establish a new, expanded, or reopened coal mine
 4 would not be placed in service and the job creation
 5 would not occur without the tax credits and
 6 exemptions set forth in subsection (b-5) of this
 7 Section. The term "placed in service" has the same
 8 meaning as described in subsection (h) of Section
 9 201 of the Illinois Income Tax Act; or

10 (D) the business intends to construct new
 11 transmission facilities or upgrade existing
 12 transmission facilities at designated locations in
 13 Illinois, for which construction commenced not
 14 sooner than July 1, 2001. For the purposes of this
 15 Section, "transmission facilities" means
 16 transmission lines with a voltage rating of 115
 17 kilovolts or above, including associated equipment,
 18 that transfer electricity from points of supply to
 19 points of delivery and that transmit a majority of
 20 the electricity generated by a new electric
 21 generating facility designated as a High Impact
 22 Business in accordance with this Section. The
 23 business must certify in writing that the
 24 investments necessary to construct new transmission
 25 facilities or upgrade existing transmission
 26 facilities would not be placed in service without
 27 the tax credits and exemptions set forth in
 28 subsection (b-5) of this Section. The term "placed
 29 in service" has the same meaning as described in
 30 subsection (h) of Section 201 of the Illinois Income
 31 Tax Act; and

32 (4) no later than 90 days after an application is
 33 submitted, the Department shall notify the applicant of
 34 the Department's determination of the qualification of

1 the proposed High Impact Business under this Section.

2 (b) Businesses designated as High Impact Businesses
3 pursuant to subdivision (a)(3)(A) of this Section shall
4 qualify for the credits and exemptions described in the
5 following Acts: Section 9-222 and Section 9-222.1A of The
6 Public Utilities Act, subsection (h) of Section 201 of the
7 Illinois Income Tax Act; and, Section 1d of the Retailers'
8 Occupation Tax Act, provided that these credits and
9 exemptions described in these Acts shall not be authorized
10 until the minimum investments set forth in subdivision
11 (a)(3)(A) ~~subsection-(a)~~ of this Section have been placed in
12 service in qualified properties and, in the case of the
13 exemptions described in the Public Utilities Act and Section
14 1d of the Retailers' Occupation Tax Act, the minimum
15 full-time equivalent jobs or full-time jobs set forth in
16 subdivision (a)(3)(A) ~~subsection--(a)~~ of this Section have
17 been created or retained. Businesses designated as High
18 Impact Businesses under this Section shall also qualify for
19 the exemption described in Section 51 of the Retailers'
20 Occupation Tax Act. The credit provided in subsection (h) of
21 Section 201 of the Illinois Income Tax Act shall be
22 applicable to investments in qualified property as set forth
23 in subdivision (a)(3)(A) ~~subsection-(a)~~ of this Section.

24 (b-5) Businesses designated as High Impact Businesses
25 pursuant to subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D)
26 of this Section shall qualify for the credits and exemptions
27 described in the following Acts: Section 51 of the
28 Retailers' Occupation Tax Act, Section 9-222 and Section
29 9-222.1A of the Public Utilities Act, and subsection (h) of
30 Section 201 of the Illinois Income Tax Act; however, the
31 credits and exemptions authorized under Section 9-222 and
32 Section 9-222.1A of the Public Utilities Act, and subsection
33 (h) of Section 201 of the Illinois Income Tax Act shall not
34 be authorized until the new electric generating facility, the

1 new transmission facility, or the new, expanded, or reopened
2 coal mine is operational, except that a new electric
3 generating facility whose primary fuel source is natural gas
4 is eligible only for the exemption under Section 51 of the
5 Retailers' Occupation Tax Act.

6 (c) High Impact Businesses located in federally
7 designated foreign trade zones or sub-zones are also eligible
8 for additional credits, exemptions and deductions as
9 described in the following Acts: Section 9-221 and Section
10 9-222.1 of the Public Utilities Act; and subsection (g) of
11 Section 201, and Section 203 of the Illinois Income Tax Act.

12 (d) Existing Illinois businesses which apply for
13 designation as a High Impact Business must provide the
14 Department with the prospective plan for which 1,500
15 full-time jobs would be eliminated in the event that the
16 business is not designated.

17 (e) New proposed facilities which apply for designation
18 as High Impact Business must provide the Department with
19 proof of alternative non-Illinois sites which would receive
20 the proposed investment and job creation in the event that
21 the business is not designated as a High Impact Business.

22 (f) In the event that a business is designated a High
23 Impact Business and it is later determined after reasonable
24 notice and an opportunity for a hearing as provided under The
25 Illinois Administrative Procedure Act, that the business
26 would have placed in service in qualified property the
27 investments and created or retained the requisite number of
28 jobs without the benefits of the High Impact Business
29 designation, the Department shall be required to immediately
30 revoke the designation and notify the Director of the
31 Department of Revenue who shall begin proceedings to recover
32 all wrongfully exempted State taxes with interest. The
33 business shall also be ineligible for all State funded
34 Department programs for a period of 10 years.

1 (g) The Department shall revoke a High Impact Business
2 designation if the participating business fails to comply
3 with the terms and conditions of the designation.

4 (h) Prior to designating a business, the Department
5 shall provide the members of the General Assembly and
6 Illinois Economic and Fiscal Commission with a report setting
7 forth the terms and conditions of the designation and
8 guarantees that have been received by the Department in
9 relation to the proposed business being designated.

10 (Source: P.A. 91-914, eff. 7-7-00.)

11 Section 912. The Renewable Energy, Energy Efficiency,
12 and Coal Resources Development Law of 1997 is amended by
13 changing Section 6-3 as follows:

14 (20 ILCS 687/6-3)

15 (Section scheduled to be repealed on December 16, 2007)

16 Sec. 6-3. Renewable energy resources program.

17 (a) The Department of Commerce and Community Affairs, to
18 be called the "Department" hereinafter in this Law, shall
19 administer the Renewable Energy Resources Program to provide
20 grants, loans, and other incentives to foster investment in
21 and the development and use of renewable energy resources.

22 (b) The Department shall establish eligibility criteria
23 for grants, loans, and other incentives to foster investment
24 in and the development and use of renewable energy resources.
25 These criteria shall be reviewed annually and adjusted as
26 necessary. The criteria should promote the goal of fostering
27 investment in and the development and use, in Illinois, of
28 renewable energy resources.

29 (c) The Department shall accept applications for grants,
30 loans, and other incentives to foster investment in and the
31 development and use of renewable energy resources.

32 (d) To the extent that funds are available and

1 appropriated, the Department shall provide grants, loans, and
2 other incentives to applicants that meet the criteria
3 specified by the Department.

4 (e) The Department shall conduct an annual study on the
5 use and availability of renewable energy resources in
6 Illinois. Each year, the Department shall submit a report on
7 the study to the General Assembly. This report shall include
8 suggestions for legislation which will encourage the
9 development and use of renewable energy resources.

10 (f) As used in this Law, "renewable energy resources"
11 includes energy from wind, solar thermal energy, photovoltaic
12 cells and panels, dedicated crops grown for energy production
13 and organic waste biomass, hydropower that does not involve
14 new construction or significant expansion of hydropower dams,
15 and other such alternative sources of environmentally
16 preferable energy. "Renewable energy resources" does not
17 include, however, energy from the incineration, burning or
18 heating of waste wood, tires, garbage, general household,
19 institutional and commercial waste, industrial lunchroom or
20 office waste, landscape waste, or construction or demolition
21 debris.

22 (g) There is created the Energy Efficiency Investment
23 Fund as a special fund in the State Treasury, to be
24 administered by the Department to support the development of
25 technologies for wind, biomass, and solar power in Illinois.
26 The Department may accept private and public funds, including
27 federal funds, for deposit into the Fund.

28 (Source: P.A. 90-561, eff. 12-16-97.)

29 Section 915. The State Finance Act is amended by adding
30 Sections 5.545, 5.546, and 6z-51 as follows:

31 (30 ILCS 105/5.545 new)

32 Sec. 5.545. The Energy Infrastructure Fund.

1 (30 ILCS 105/5.546 new)

2 Sec. 5.546. The Energy Efficiency Investment Fund.

3 (30 ILCS 105/6z-51 new)

4 Sec. 6z-51. The Energy Infrastructure Fund.

5 (a) The Energy Infrastructure Fund is created as a
6 special fund in the State treasury.

7 (b) Money in the Energy Infrastructure Fund shall, if
8 and when the State of Illinois issues any bonded indebtedness
9 for financial assistance to new electric generating
10 facilities, as provided in Section 605-332 of the Department
11 of Commerce and Community Affairs Law of the Civil
12 Administrative Code of Illinois, be set aside and used for
13 the purpose of paying and discharging annually the principal
14 and interest on that bonded indebtedness then due and
15 payable, and for no other purpose.

16 In addition to other transfers to the General Obligation
17 Bond Retirement and Interest Fund made pursuant to Section 15
18 of the General Obligation Bond Act, upon each delivery of
19 bonds issued for financial assistance to new electric
20 generating facilities under Section 605-332 of the Department
21 of Commerce and Community Affairs Law of the Civil
22 Administrative Code of Illinois, the State Comptroller shall
23 compute and certify to the State Treasurer the total amount
24 of principal and interest, and premium, if any, on such bonds
25 during the then current and each succeeding fiscal year. On
26 or before the last day of each month, the State Treasurer and
27 the State Comptroller shall transfer from the Energy
28 Infrastructure Fund to the General Obligation Bond Retirement
29 and Interest Fund an amount sufficient to pay the aggregate
30 of the principal of, interest on, and premium, if any, on the
31 bonds payable on their next payment date, divided by the
32 number of monthly transfers occurring between the last
33 previous payment date (or the delivery date if no payment

1 date has yet occurred) and the next succeeding payment date.

2 (c) To the extent that moneys in the Energy
3 Infrastructure Fund, in the opinion of the Governor and the
4 Director of the Bureau of the Budget, are in excess of 125%
5 of the maximum debt service in any fiscal year, such surplus
6 shall, subject to appropriation, be used by the Department of
7 Commerce and Community Affairs for financial assistance under
8 other coal development programs administered by the
9 Department, in accordance with the rules of the Department or
10 for other State purposes subject to appropriation.

11 Section 918. The Illinois Income Tax Act is amended by
12 changing Section 201 as follows:

13 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

14 Sec. 201. Tax Imposed.

15 (a) In general. A tax measured by net income is hereby
16 imposed on every individual, corporation, trust and estate
17 for each taxable year ending after July 31, 1969 on the
18 privilege of earning or receiving income in or as a resident
19 of this State. Such tax shall be in addition to all other
20 occupation or privilege taxes imposed by this State or by any
21 municipal corporation or political subdivision thereof.

22 (b) Rates. The tax imposed by subsection (a) of this
23 Section shall be determined as follows, except as adjusted by
24 subsection (d-1):

25 (1) In the case of an individual, trust or estate,
26 for taxable years ending prior to July 1, 1989, an amount
27 equal to 2 1/2% of the taxpayer's net income for the
28 taxable year.

29 (2) In the case of an individual, trust or estate,
30 for taxable years beginning prior to July 1, 1989 and
31 ending after June 30, 1989, an amount equal to the sum of

32 (i) 2 1/2% of the taxpayer's net income for the period

1 prior to July 1, 1989, as calculated under Section 202.3,
2 and (ii) 3% of the taxpayer's net income for the period
3 after June 30, 1989, as calculated under Section 202.3.

4 (3) In the case of an individual, trust or estate,
5 for taxable years beginning after June 30, 1989, an
6 amount equal to 3% of the taxpayer's net income for the
7 taxable year.

8 (4) (Blank).

9 (5) (Blank).

10 (6) In the case of a corporation, for taxable years
11 ending prior to July 1, 1989, an amount equal to 4% of
12 the taxpayer's net income for the taxable year.

13 (7) In the case of a corporation, for taxable years
14 beginning prior to July 1, 1989 and ending after June 30,
15 1989, an amount equal to the sum of (i) 4% of the
16 taxpayer's net income for the period prior to July 1,
17 1989, as calculated under Section 202.3, and (ii) 4.8% of
18 the taxpayer's net income for the period after June 30,
19 1989, as calculated under Section 202.3.

20 (8) In the case of a corporation, for taxable years
21 beginning after June 30, 1989, an amount equal to 4.8% of
22 the taxpayer's net income for the taxable year.

23 (c) Beginning on July 1, 1979 and thereafter, in
24 addition to such income tax, there is also hereby imposed the
25 Personal Property Tax Replacement Income Tax measured by net
26 income on every corporation (including Subchapter S
27 corporations), partnership and trust, for each taxable year
28 ending after June 30, 1979. Such taxes are imposed on the
29 privilege of earning or receiving income in or as a resident
30 of this State. The Personal Property Tax Replacement Income
31 Tax shall be in addition to the income tax imposed by
32 subsections (a) and (b) of this Section and in addition to
33 all other occupation or privilege taxes imposed by this State
34 or by any municipal corporation or political subdivision

1 thereof.

2 (d) Additional Personal Property Tax Replacement Income
3 Tax Rates. The personal property tax replacement income tax
4 imposed by this subsection and subsection (c) of this Section
5 in the case of a corporation, other than a Subchapter S
6 corporation and except as adjusted by subsection (d-1), shall
7 be an additional amount equal to 2.85% of such taxpayer's net
8 income for the taxable year, except that beginning on January
9 1, 1981, and thereafter, the rate of 2.85% specified in this
10 subsection shall be reduced to 2.5%, and in the case of a
11 partnership, trust or a Subchapter S corporation shall be an
12 additional amount equal to 1.5% of such taxpayer's net income
13 for the taxable year.

14 (d-1) Rate reduction for certain foreign insurers. In
15 the case of a foreign insurer, as defined by Section 35A-5 of
16 the Illinois Insurance Code, whose state or country of
17 domicile imposes on insurers domiciled in Illinois a
18 retaliatory tax (excluding any insurer whose premiums from
19 reinsurance assumed are 50% or more of its total insurance
20 premiums as determined under paragraph (2) of subsection (b)
21 of Section 304, except that for purposes of this
22 determination premiums from reinsurance do not include
23 premiums from inter-affiliate reinsurance arrangements),
24 beginning with taxable years ending on or after December 31,
25 1999, the sum of the rates of tax imposed by subsections (b)
26 and (d) shall be reduced (but not increased) to the rate at
27 which the total amount of tax imposed under this Act, net of
28 all credits allowed under this Act, shall equal (i) the total
29 amount of tax that would be imposed on the foreign insurer's
30 net income allocable to Illinois for the taxable year by such
31 foreign insurer's state or country of domicile if that net
32 income were subject to all income taxes and taxes measured by
33 net income imposed by such foreign insurer's state or country
34 of domicile, net of all credits allowed or (ii) a rate of

1 zero if no such tax is imposed on such income by the foreign
 2 insurer's state of domicile. For the purposes of this
 3 subsection (d-1), an inter-affiliate includes a mutual
 4 insurer under common management.

5 (1) For the purposes of subsection (d-1), in no
 6 event shall the sum of the rates of tax imposed by
 7 subsections (b) and (d) be reduced below the rate at
 8 which the sum of:

9 (A) the total amount of tax imposed on such
 10 foreign insurer under this Act for a taxable year,
 11 net of all credits allowed under this Act, plus

12 (B) the privilege tax imposed by Section 409
 13 of the Illinois Insurance Code, the fire insurance
 14 company tax imposed by Section 12 of the Fire
 15 Investigation Act, and the fire department taxes
 16 imposed under Section 11-10-1 of the Illinois
 17 Municipal Code,

18 equals 1.25% of the net taxable premiums written for the
 19 taxable year, as described by subsection (1) of Section
 20 409 of the Illinois Insurance Code. This paragraph will
 21 in no event increase the rates imposed under subsections
 22 (b) and (d).

23 (2) Any reduction in the rates of tax imposed by
 24 this subsection shall be applied first against the rates
 25 imposed by subsection (b) and only after the tax imposed
 26 by subsection (a) net of all credits allowed under this
 27 Section other than the credit allowed under subsection
 28 (i) has been reduced to zero, against the rates imposed
 29 by subsection (d).

30 This subsection (d-1) is exempt from the provisions of
 31 Section 250.

32 (e) Investment credit. A taxpayer shall be allowed a
 33 credit against the Personal Property Tax Replacement Income
 34 Tax for investment in qualified property.

1 (1) A taxpayer shall be allowed a credit equal to
2 .5% of the basis of qualified property placed in service
3 during the taxable year, provided such property is placed
4 in service on or after July 1, 1984. There shall be
5 allowed an additional credit equal to .5% of the basis of
6 qualified property placed in service during the taxable
7 year, provided such property is placed in service on or
8 after July 1, 1986, and the taxpayer's base employment
9 within Illinois has increased by 1% or more over the
10 preceding year as determined by the taxpayer's employment
11 records filed with the Illinois Department of Employment
12 Security. Taxpayers who are new to Illinois shall be
13 deemed to have met the 1% growth in base employment for
14 the first year in which they file employment records with
15 the Illinois Department of Employment Security. The
16 provisions added to this Section by Public Act 85-1200
17 (and restored by Public Act 87-895) shall be construed as
18 declaratory of existing law and not as a new enactment.
19 If, in any year, the increase in base employment within
20 Illinois over the preceding year is less than 1%, the
21 additional credit shall be limited to that percentage
22 times a fraction, the numerator of which is .5% and the
23 denominator of which is 1%, but shall not exceed .5%.
24 The investment credit shall not be allowed to the extent
25 that it would reduce a taxpayer's liability in any tax
26 year below zero, nor may any credit for qualified
27 property be allowed for any year other than the year in
28 which the property was placed in service in Illinois. For
29 tax years ending on or after December 31, 1987, and on or
30 before December 31, 1988, the credit shall be allowed for
31 the tax year in which the property is placed in service,
32 or, if the amount of the credit exceeds the tax liability
33 for that year, whether it exceeds the original liability
34 or the liability as later amended, such excess may be

1 carried forward and applied to the tax liability of the 5
2 taxable years following the excess credit years if the
3 taxpayer (i) makes investments which cause the creation
4 of a minimum of 2,000 full-time equivalent jobs in
5 Illinois, (ii) is located in an enterprise zone
6 established pursuant to the Illinois Enterprise Zone Act
7 and (iii) is certified by the Department of Commerce and
8 Community Affairs as complying with the requirements
9 specified in clause (i) and (ii) by July 1, 1986. The
10 Department of Commerce and Community Affairs shall notify
11 the Department of Revenue of all such certifications
12 immediately. For tax years ending after December 31,
13 1988, the credit shall be allowed for the tax year in
14 which the property is placed in service, or, if the
15 amount of the credit exceeds the tax liability for that
16 year, whether it exceeds the original liability or the
17 liability as later amended, such excess may be carried
18 forward and applied to the tax liability of the 5 taxable
19 years following the excess credit years. The credit shall
20 be applied to the earliest year for which there is a
21 liability. If there is credit from more than one tax year
22 that is available to offset a liability, earlier credit
23 shall be applied first.

24 (2) The term "qualified property" means property
25 which:

26 (A) is tangible, whether new or used,
27 including buildings and structural components of
28 buildings and signs that are real property, but not
29 including land or improvements to real property that
30 are not a structural component of a building such as
31 landscaping, sewer lines, local access roads,
32 fencing, parking lots, and other appurtenances;

33 (B) is depreciable pursuant to Section 167 of
34 the Internal Revenue Code, except that "3-year

1 property" as defined in Section 168(c)(2)(A) of that
2 Code is not eligible for the credit provided by this
3 subsection (e);

4 (C) is acquired by purchase as defined in
5 Section 179(d) of the Internal Revenue Code;

6 (D) is used in Illinois by a taxpayer who is
7 primarily engaged in manufacturing, or in mining
8 coal or fluorite, or in retailing; and

9 (E) has not previously been used in Illinois
10 in such a manner and by such a person as would
11 qualify for the credit provided by this subsection
12 (e) or subsection (f).

13 (3) For purposes of this subsection (e),
14 "manufacturing" means the material staging and production
15 of tangible personal property by procedures commonly
16 regarded as manufacturing, processing, fabrication, or
17 assembling which changes some existing material into new
18 shapes, new qualities, or new combinations. For purposes
19 of this subsection (e) the term "mining" shall have the
20 same meaning as the term "mining" in Section 613(c) of
21 the Internal Revenue Code. For purposes of this
22 subsection (e), the term "retailing" means the sale of
23 tangible personal property or services rendered in
24 conjunction with the sale of tangible consumer goods or
25 commodities.

26 (4) The basis of qualified property shall be the
27 basis used to compute the depreciation deduction for
28 federal income tax purposes.

29 (5) If the basis of the property for federal income
30 tax depreciation purposes is increased after it has been
31 placed in service in Illinois by the taxpayer, the amount
32 of such increase shall be deemed property placed in
33 service on the date of such increase in basis.

34 (6) The term "placed in service" shall have the

1 same meaning as under Section 46 of the Internal Revenue
2 Code.

3 (7) If during any taxable year, any property ceases
4 to be qualified property in the hands of the taxpayer
5 within 48 months after being placed in service, or the
6 situs of any qualified property is moved outside Illinois
7 within 48 months after being placed in service, the
8 Personal Property Tax Replacement Income Tax for such
9 taxable year shall be increased. Such increase shall be
10 determined by (i) recomputing the investment credit which
11 would have been allowed for the year in which credit for
12 such property was originally allowed by eliminating such
13 property from such computation and, (ii) subtracting such
14 recomputed credit from the amount of credit previously
15 allowed. For the purposes of this paragraph (7), a
16 reduction of the basis of qualified property resulting
17 from a redetermination of the purchase price shall be
18 deemed a disposition of qualified property to the extent
19 of such reduction.

20 (8) Unless the investment credit is extended by
21 law, the basis of qualified property shall not include
22 costs incurred after December 31, 2003, except for costs
23 incurred pursuant to a binding contract entered into on
24 or before December 31, 2003.

25 (9) Each taxable year ending before December 31,
26 2000, a partnership may elect to pass through to its
27 partners the credits to which the partnership is entitled
28 under this subsection (e) for the taxable year. A
29 partner may use the credit allocated to him or her under
30 this paragraph only against the tax imposed in
31 subsections (c) and (d) of this Section. If the
32 partnership makes that election, those credits shall be
33 allocated among the partners in the partnership in
34 accordance with the rules set forth in Section 704(b) of

1 the Internal Revenue Code, and the rules promulgated
2 under that Section, and the allocated amount of the
3 credits shall be allowed to the partners for that taxable
4 year. The partnership shall make this election on its
5 Personal Property Tax Replacement Income Tax return for
6 that taxable year. The election to pass through the
7 credits shall be irrevocable.

8 For taxable years ending on or after December 31,
9 2000, a partner that qualifies its partnership for a
10 subtraction under subparagraph (I) of paragraph (2) of
11 subsection (d) of Section 203 or a shareholder that
12 qualifies a Subchapter S corporation for a subtraction
13 under subparagraph (S) of paragraph (2) of subsection (b)
14 of Section 203 shall be allowed a credit under this
15 subsection (e) equal to its share of the credit earned
16 under this subsection (e) during the taxable year by the
17 partnership or Subchapter S corporation, determined in
18 accordance with the determination of income and
19 distributive share of income under Sections 702 and 704
20 and Subchapter S of the Internal Revenue Code. This
21 paragraph is exempt from the provisions of Section 250.

22 (f) Investment credit; Enterprise Zone.

23 (1) A taxpayer shall be allowed a credit against
24 the tax imposed by subsections (a) and (b) of this
25 Section for investment in qualified property which is
26 placed in service in an Enterprise Zone created pursuant
27 to the Illinois Enterprise Zone Act. For partners,
28 shareholders of Subchapter S corporations, and owners of
29 limited liability companies, if the liability company is
30 treated as a partnership for purposes of federal and
31 State income taxation, there shall be allowed a credit
32 under this subsection (f) to be determined in accordance
33 with the determination of income and distributive share
34 of income under Sections 702 and 704 and Subchapter S of

1 the Internal Revenue Code. The credit shall be .5% of the
2 basis for such property. The credit shall be available
3 only in the taxable year in which the property is placed
4 in service in the Enterprise Zone and shall not be
5 allowed to the extent that it would reduce a taxpayer's
6 liability for the tax imposed by subsections (a) and (b)
7 of this Section to below zero. For tax years ending on or
8 after December 31, 1985, the credit shall be allowed for
9 the tax year in which the property is placed in service,
10 or, if the amount of the credit exceeds the tax liability
11 for that year, whether it exceeds the original liability
12 or the liability as later amended, such excess may be
13 carried forward and applied to the tax liability of the 5
14 taxable years following the excess credit year. The
15 credit shall be applied to the earliest year for which
16 there is a liability. If there is credit from more than
17 one tax year that is available to offset a liability, the
18 credit accruing first in time shall be applied first.

19 (2) The term qualified property means property
20 which:

21 (A) is tangible, whether new or used,
22 including buildings and structural components of
23 buildings;

24 (B) is depreciable pursuant to Section 167 of
25 the Internal Revenue Code, except that "3-year
26 property" as defined in Section 168(c)(2)(A) of that
27 Code is not eligible for the credit provided by this
28 subsection (f);

29 (C) is acquired by purchase as defined in
30 Section 179(d) of the Internal Revenue Code;

31 (D) is used in the Enterprise Zone by the
32 taxpayer; and

33 (E) has not been previously used in Illinois
34 in such a manner and by such a person as would

1 qualify for the credit provided by this subsection
2 (f) or subsection (e).

3 (3) The basis of qualified property shall be the
4 basis used to compute the depreciation deduction for
5 federal income tax purposes.

6 (4) If the basis of the property for federal income
7 tax depreciation purposes is increased after it has been
8 placed in service in the Enterprise Zone by the taxpayer,
9 the amount of such increase shall be deemed property
10 placed in service on the date of such increase in basis.

11 (5) The term "placed in service" shall have the
12 same meaning as under Section 46 of the Internal Revenue
13 Code.

14 (6) If during any taxable year, any property ceases
15 to be qualified property in the hands of the taxpayer
16 within 48 months after being placed in service, or the
17 situs of any qualified property is moved outside the
18 Enterprise Zone within 48 months after being placed in
19 service, the tax imposed under subsections (a) and (b) of
20 this Section for such taxable year shall be increased.
21 Such increase shall be determined by (i) recomputing the
22 investment credit which would have been allowed for the
23 year in which credit for such property was originally
24 allowed by eliminating such property from such
25 computation, and (ii) subtracting such recomputed credit
26 from the amount of credit previously allowed. For the
27 purposes of this paragraph (6), a reduction of the basis
28 of qualified property resulting from a redetermination of
29 the purchase price shall be deemed a disposition of
30 qualified property to the extent of such reduction.

31 (g) Jobs Tax Credit; Enterprise Zone and Foreign Trade
32 Zone or Sub-Zone.

33 (1) A taxpayer conducting a trade or business in an
34 enterprise zone or a High Impact Business designated by

1 the Department of Commerce and Community Affairs
 2 conducting a trade or business in a federally designated
 3 Foreign Trade Zone or Sub-Zone shall be allowed a credit
 4 against the tax imposed by subsections (a) and (b) of
 5 this Section in the amount of \$500 per eligible employee
 6 hired to work in the zone during the taxable year.

7 (2) To qualify for the credit:

8 (A) the taxpayer must hire 5 or more eligible
 9 employees to work in an enterprise zone or federally
 10 designated Foreign Trade Zone or Sub-Zone during the
 11 taxable year;

12 (B) the taxpayer's total employment within the
 13 enterprise zone or federally designated Foreign
 14 Trade Zone or Sub-Zone must increase by 5 or more
 15 full-time employees beyond the total employed in
 16 that zone at the end of the previous tax year for
 17 which a jobs tax credit under this Section was
 18 taken, or beyond the total employed by the taxpayer
 19 as of December 31, 1985, whichever is later; and

20 (C) the eligible employees must be employed
 21 180 consecutive days in order to be deemed hired for
 22 purposes of this subsection.

23 (3) An "eligible employee" means an employee who
 24 is:

25 (A) Certified by the Department of Commerce
 26 and Community Affairs as "eligible for services"
 27 pursuant to regulations promulgated in accordance
 28 with Title II of the Job Training Partnership Act,
 29 Training Services for the Disadvantaged or Title III
 30 of the Job Training Partnership Act, Employment and
 31 Training Assistance for Dislocated Workers Program.

32 (B) Hired after the enterprise zone or
 33 federally designated Foreign Trade Zone or Sub-Zone
 34 was designated or the trade or business was located

1 in that zone, whichever is later.

2 (C) Employed in the enterprise zone or Foreign
3 Trade Zone or Sub-Zone. An employee is employed in
4 an enterprise zone or federally designated Foreign
5 Trade Zone or Sub-Zone if his services are rendered
6 there or it is the base of operations for the
7 services performed.

8 (D) A full-time employee working 30 or more
9 hours per week.

10 (4) For tax years ending on or after December 31,
11 1985 and prior to December 31, 1988, the credit shall be
12 allowed for the tax year in which the eligible employees
13 are hired. For tax years ending on or after December 31,
14 1988, the credit shall be allowed for the tax year
15 immediately following the tax year in which the eligible
16 employees are hired. If the amount of the credit exceeds
17 the tax liability for that year, whether it exceeds the
18 original liability or the liability as later amended,
19 such excess may be carried forward and applied to the tax
20 liability of the 5 taxable years following the excess
21 credit year. The credit shall be applied to the earliest
22 year for which there is a liability. If there is credit
23 from more than one tax year that is available to offset a
24 liability, earlier credit shall be applied first.

25 (5) The Department of Revenue shall promulgate such
26 rules and regulations as may be deemed necessary to carry
27 out the purposes of this subsection (g).

28 (6) The credit shall be available for eligible
29 employees hired on or after January 1, 1986.

30 (h) Investment credit; High Impact Business.

31 (1) Subject to subsections ~~subsectien~~ (b) and (b-5)
32 of Section 5.5 of the Illinois Enterprise Zone Act, a
33 taxpayer shall be allowed a credit against the tax
34 imposed by subsections (a) and (b) of this Section for

1 investment in qualified property which is placed in
2 service by a Department of Commerce and Community Affairs
3 designated High Impact Business. The credit shall be .5%
4 of the basis for such property. The credit shall not be
5 available (i) until the minimum investments in qualified
6 property set forth in subdivision (a)(3)(A) of Section
7 5.5 of the Illinois Enterprise Zone Act have been
8 satisfied or (ii) until the time authorized in subsection
9 (b-5) of the Illinois Enterprise Zone Act for entities
10 designated as High Impact Businesses under subdivisions
11 (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the
12 Illinois Enterprise Zone Act, and shall not be allowed to
13 the extent that it would reduce a taxpayer's liability
14 for the tax imposed by subsections (a) and (b) of this
15 Section to below zero. The credit applicable to such
16 ~~minimum~~ investments shall be taken in the taxable year in
17 which such ~~minimum~~ investments have been completed. The
18 credit for additional investments beyond the minimum
19 investment by a designated high impact business
20 authorized under subdivision (a)(3)(A) of Section 5.5 of
21 the Illinois Enterprise Zone Act shall be available only
22 in the taxable year in which the property is placed in
23 service and shall not be allowed to the extent that it
24 would reduce a taxpayer's liability for the tax imposed
25 by subsections (a) and (b) of this Section to below zero.
26 For tax years ending on or after December 31, 1987, the
27 credit shall be allowed for the tax year in which the
28 property is placed in service, or, if the amount of the
29 credit exceeds the tax liability for that year, whether
30 it exceeds the original liability or the liability as
31 later amended, such excess may be carried forward and
32 applied to the tax liability of the 5 taxable years
33 following the excess credit year. The credit shall be
34 applied to the earliest year for which there is a

1 liability. If there is credit from more than one tax
2 year that is available to offset a liability, the credit
3 accruing first in time shall be applied first.

4 Changes made in this subdivision (h)(1) by Public
5 Act 88-670 restore changes made by Public Act 85-1182 and
6 reflect existing law.

7 (2) The term qualified property means property
8 which:

9 (A) is tangible, whether new or used,
10 including buildings and structural components of
11 buildings;

12 (B) is depreciable pursuant to Section 167 of
13 the Internal Revenue Code, except that "3-year
14 property" as defined in Section 168(c)(2)(A) of that
15 Code is not eligible for the credit provided by this
16 subsection (h);

17 (C) is acquired by purchase as defined in
18 Section 179(d) of the Internal Revenue Code; and

19 (D) is not eligible for the Enterprise Zone
20 Investment Credit provided by subsection (f) of this
21 Section.

22 (3) The basis of qualified property shall be the
23 basis used to compute the depreciation deduction for
24 federal income tax purposes.

25 (4) If the basis of the property for federal income
26 tax depreciation purposes is increased after it has been
27 placed in service in a federally designated Foreign Trade
28 Zone or Sub-Zone located in Illinois by the taxpayer, the
29 amount of such increase shall be deemed property placed
30 in service on the date of such increase in basis.

31 (5) The term "placed in service" shall have the
32 same meaning as under Section 46 of the Internal Revenue
33 Code.

34 (6) If during any taxable year ending on or before

1 December 31, 1996, any property ceases to be qualified
2 property in the hands of the taxpayer within 48 months
3 after being placed in service, or the situs of any
4 qualified property is moved outside Illinois within 48
5 months after being placed in service, the tax imposed
6 under subsections (a) and (b) of this Section for such
7 taxable year shall be increased. Such increase shall be
8 determined by (i) recomputing the investment credit which
9 would have been allowed for the year in which credit for
10 such property was originally allowed by eliminating such
11 property from such computation, and (ii) subtracting such
12 recomputed credit from the amount of credit previously
13 allowed. For the purposes of this paragraph (6), a
14 reduction of the basis of qualified property resulting
15 from a redetermination of the purchase price shall be
16 deemed a disposition of qualified property to the extent
17 of such reduction.

18 (7) Beginning with tax years ending after December
19 31, 1996, if a taxpayer qualifies for the credit under
20 this subsection (h) and thereby is granted a tax
21 abatement and the taxpayer relocates its entire facility
22 in violation of the explicit terms and length of the
23 contract under Section 18-183 of the Property Tax Code,
24 the tax imposed under subsections (a) and (b) of this
25 Section shall be increased for the taxable year in which
26 the taxpayer relocated its facility by an amount equal to
27 the amount of credit received by the taxpayer under this
28 subsection (h).

29 (i) A credit shall be allowed against the tax imposed by
30 subsections (a) and (b) of this Section for the tax imposed
31 by subsections (c) and (d) of this Section. This credit
32 shall be computed by multiplying the tax imposed by
33 subsections (c) and (d) of this Section by a fraction, the
34 numerator of which is base income allocable to Illinois and

1 the denominator of which is Illinois base income, and further
2 multiplying the product by the tax rate imposed by
3 subsections (a) and (b) of this Section.

4 Any credit earned on or after December 31, 1986 under
5 this subsection which is unused in the year the credit is
6 computed because it exceeds the tax liability imposed by
7 subsections (a) and (b) for that year (whether it exceeds the
8 original liability or the liability as later amended) may be
9 carried forward and applied to the tax liability imposed by
10 subsections (a) and (b) of the 5 taxable years following the
11 excess credit year. This credit shall be applied first to
12 the earliest year for which there is a liability. If there
13 is a credit under this subsection from more than one tax year
14 that is available to offset a liability the earliest credit
15 arising under this subsection shall be applied first.

16 If, during any taxable year ending on or after December
17 31, 1986, the tax imposed by subsections (c) and (d) of this
18 Section for which a taxpayer has claimed a credit under this
19 subsection (i) is reduced, the amount of credit for such tax
20 shall also be reduced. Such reduction shall be determined by
21 recomputing the credit to take into account the reduced tax
22 imposed by subsection (c) and (d). If any portion of the
23 reduced amount of credit has been carried to a different
24 taxable year, an amended return shall be filed for such
25 taxable year to reduce the amount of credit claimed.

26 (j) Training expense credit. Beginning with tax years
27 ending on or after December 31, 1986, a taxpayer shall be
28 allowed a credit against the tax imposed by subsection (a)
29 and (b) under this Section for all amounts paid or accrued,
30 on behalf of all persons employed by the taxpayer in Illinois
31 or Illinois residents employed outside of Illinois by a
32 taxpayer, for educational or vocational training in
33 semi-technical or technical fields or semi-skilled or skilled
34 fields, which were deducted from gross income in the

1 computation of taxable income. The credit against the tax
2 imposed by subsections (a) and (b) shall be 1.6% of such
3 training expenses. For partners, shareholders of subchapter
4 S corporations, and owners of limited liability companies, if
5 the liability company is treated as a partnership for
6 purposes of federal and State income taxation, there shall be
7 allowed a credit under this subsection (j) to be determined
8 in accordance with the determination of income and
9 distributive share of income under Sections 702 and 704 and
10 subchapter S of the Internal Revenue Code.

11 Any credit allowed under this subsection which is unused
12 in the year the credit is earned may be carried forward to
13 each of the 5 taxable years following the year for which the
14 credit is first computed until it is used. This credit shall
15 be applied first to the earliest year for which there is a
16 liability. If there is a credit under this subsection from
17 more than one tax year that is available to offset a
18 liability the earliest credit arising under this subsection
19 shall be applied first.

20 (k) Research and development credit.

21 Beginning with tax years ending after July 1, 1990, a
22 taxpayer shall be allowed a credit against the tax imposed by
23 subsections (a) and (b) of this Section for increasing
24 research activities in this State. The credit allowed
25 against the tax imposed by subsections (a) and (b) shall be
26 equal to 6 1/2% of the qualifying expenditures for increasing
27 research activities in this State. For partners, shareholders
28 of subchapter S corporations, and owners of limited liability
29 companies, if the liability company is treated as a
30 partnership for purposes of federal and State income
31 taxation, there shall be allowed a credit under this
32 subsection to be determined in accordance with the
33 determination of income and distributive share of income
34 under Sections 702 and 704 and subchapter S of the Internal

1 Revenue Code.

2 For purposes of this subsection, "qualifying
3 expenditures" means the qualifying expenditures as defined
4 for the federal credit for increasing research activities
5 which would be allowable under Section 41 of the Internal
6 Revenue Code and which are conducted in this State,
7 "qualifying expenditures for increasing research activities
8 in this State" means the excess of qualifying expenditures
9 for the taxable year in which incurred over qualifying
10 expenditures for the base period, "qualifying expenditures
11 for the base period" means the average of the qualifying
12 expenditures for each year in the base period, and "base
13 period" means the 3 taxable years immediately preceding the
14 taxable year for which the determination is being made.

15 Any credit in excess of the tax liability for the taxable
16 year may be carried forward. A taxpayer may elect to have the
17 unused credit shown on its final completed return carried
18 over as a credit against the tax liability for the following
19 5 taxable years or until it has been fully used, whichever
20 occurs first.

21 If an unused credit is carried forward to a given year
22 from 2 or more earlier years, that credit arising in the
23 earliest year will be applied first against the tax liability
24 for the given year. If a tax liability for the given year
25 still remains, the credit from the next earliest year will
26 then be applied, and so on, until all credits have been used
27 or no tax liability for the given year remains. Any
28 remaining unused credit or credits then will be carried
29 forward to the next following year in which a tax liability
30 is incurred, except that no credit can be carried forward to
31 a year which is more than 5 years after the year in which the
32 expense for which the credit is given was incurred.

33 Unless extended by law, the credit shall not include
34 costs incurred after December 31, 2004, except for costs

1 incurred pursuant to a binding contract entered into on or
2 before December 31, 2004.

3 No inference shall be drawn from this amendatory Act of
4 the 91st General Assembly in construing this Section for
5 taxable years beginning before January 1, 1999.

6 (1) Environmental Remediation Tax Credit.

7 (i) For tax years ending after December 31, 1997
8 and on or before December 31, 2001, a taxpayer shall be
9 allowed a credit against the tax imposed by subsections
10 (a) and (b) of this Section for certain amounts paid for
11 unreimbursed eligible remediation costs, as specified in
12 this subsection. For purposes of this Section,
13 "unreimbursed eligible remediation costs" means costs
14 approved by the Illinois Environmental Protection Agency
15 ("Agency") under Section 58.14 of the Environmental
16 Protection Act that were paid in performing environmental
17 remediation at a site for which a No Further Remediation
18 Letter was issued by the Agency and recorded under
19 Section 58.10 of the Environmental Protection Act. The
20 credit must be claimed for the taxable year in which
21 Agency approval of the eligible remediation costs is
22 granted. The credit is not available to any taxpayer if
23 the taxpayer or any related party caused or contributed
24 to, in any material respect, a release of regulated
25 substances on, in, or under the site that was identified
26 and addressed by the remedial action pursuant to the Site
27 Remediation Program of the Environmental Protection Act.
28 After the Pollution Control Board rules are adopted
29 pursuant to the Illinois Administrative Procedure Act for
30 the administration and enforcement of Section 58.9 of the
31 Environmental Protection Act, determinations as to credit
32 availability for purposes of this Section shall be made
33 consistent with those rules. For purposes of this
34 Section, "taxpayer" includes a person whose tax

1 attributes the taxpayer has succeeded to under Section
2 381 of the Internal Revenue Code and "related party"
3 includes the persons disallowed a deduction for losses by
4 paragraphs (b), (c), and (f)(1) of Section 267 of the
5 Internal Revenue Code by virtue of being a related
6 taxpayer, as well as any of its partners. The credit
7 allowed against the tax imposed by subsections (a) and
8 (b) shall be equal to 25% of the unreimbursed eligible
9 remediation costs in excess of \$100,000 per site, except
10 that the \$100,000 threshold shall not apply to any site
11 contained in an enterprise zone as determined by the
12 Department of Commerce and Community Affairs. The total
13 credit allowed shall not exceed \$40,000 per year with a
14 maximum total of \$150,000 per site. For partners and
15 shareholders of subchapter S corporations, there shall be
16 allowed a credit under this subsection to be determined
17 in accordance with the determination of income and
18 distributive share of income under Sections 702 and 704
19 and of subchapter S of the Internal Revenue Code.

20 (ii) A credit allowed under this subsection that is
21 unused in the year the credit is earned may be carried
22 forward to each of the 5 taxable years following the year
23 for which the credit is first earned until it is used.
24 The term "unused credit" does not include any amounts of
25 unreimbursed eligible remediation costs in excess of the
26 maximum credit per site authorized under paragraph (i).
27 This credit shall be applied first to the earliest year
28 for which there is a liability. If there is a credit
29 under this subsection from more than one tax year that is
30 available to offset a liability, the earliest credit
31 arising under this subsection shall be applied first. A
32 credit allowed under this subsection may be sold to a
33 buyer as part of a sale of all or part of the remediation
34 site for which the credit was granted. The purchaser of

1 a remediation site and the tax credit shall succeed to
2 the unused credit and remaining carry-forward period of
3 the seller. To perfect the transfer, the assignor shall
4 record the transfer in the chain of title for the site
5 and provide written notice to the Director of the
6 Illinois Department of Revenue of the assignor's intent
7 to sell the remediation site and the amount of the tax
8 credit to be transferred as a portion of the sale. In no
9 event may a credit be transferred to any taxpayer if the
10 taxpayer or a related party would not be eligible under
11 the provisions of subsection (i).

12 (iii) For purposes of this Section, the term "site"
13 shall have the same meaning as under Section 58.2 of the
14 Environmental Protection Act.

15 (m) Education expense credit.

16 Beginning with tax years ending after December 31, 1999,
17 a taxpayer who is the custodian of one or more qualifying
18 pupils shall be allowed a credit against the tax imposed by
19 subsections (a) and (b) of this Section for qualified
20 education expenses incurred on behalf of the qualifying
21 pupils. The credit shall be equal to 25% of qualified
22 education expenses, but in no event may the total credit
23 under this Section claimed by a family that is the custodian
24 of qualifying pupils exceed \$500. In no event shall a credit
25 under this subsection reduce the taxpayer's liability under
26 this Act to less than zero. This subsection is exempt from
27 the provisions of Section 250 of this Act.

28 For purposes of this subsection;

29 "Qualifying pupils" means individuals who (i) are
30 residents of the State of Illinois, (ii) are under the age of
31 21 at the close of the school year for which a credit is
32 sought, and (iii) during the school year for which a credit
33 is sought were full-time pupils enrolled in a kindergarten
34 through twelfth grade education program at any school, as

1 defined in this subsection.

2 "Qualified education expense" means the amount incurred
3 on behalf of a qualifying pupil in excess of \$250 for
4 tuition, book fees, and lab fees at the school in which the
5 pupil is enrolled during the regular school year.

6 "School" means any public or nonpublic elementary or
7 secondary school in Illinois that is in compliance with Title
8 VI of the Civil Rights Act of 1964 and attendance at which
9 satisfies the requirements of Section 26-1 of the School
10 Code, except that nothing shall be construed to require a
11 child to attend any particular public or nonpublic school to
12 qualify for the credit under this Section.

13 "Custodian" means, with respect to qualifying pupils, an
14 Illinois resident who is a parent, the parents, a legal
15 guardian, or the legal guardians of the qualifying pupils.

16 (Source: P.A. 90-123, eff. 7-21-97; 90-458, eff. 8-17-97;
17 90-605, eff. 6-30-98; 90-655, eff. 7-30-98; 90-717, eff.
18 8-7-98; 90-792, eff. 1-1-99; 91-9, eff. 1-1-00; 91-357, eff.
19 7-29-99; 91-643, eff. 8-20-99; 91-644, eff. 8-20-99; 91-860,
20 eff. 6-22-00; 91-913, eff. 1-1-01; revised 10-24-00.)

21 Section 920. The Use Tax Act is amended by changing
22 Section 9 as follows:

23 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

24 Sec. 9. Except as to motor vehicles, watercraft,
25 aircraft, and trailers that are required to be registered
26 with an agency of this State, each retailer required or
27 authorized to collect the tax imposed by this Act shall pay
28 to the Department the amount of such tax (except as otherwise
29 provided) at the time when he is required to file his return
30 for the period during which such tax was collected, less a
31 discount of 2.1% prior to January 1, 1990, and 1.75% on and
32 after January 1, 1990, or \$5 per calendar year, whichever is

1 greater, which is allowed to reimburse the retailer for
2 expenses incurred in collecting the tax, keeping records,
3 preparing and filing returns, remitting the tax and supplying
4 data to the Department on request. In the case of retailers
5 who report and pay the tax on a transaction by transaction
6 basis, as provided in this Section, such discount shall be
7 taken with each such tax remittance instead of when such
8 retailer files his periodic return. A retailer need not
9 remit that part of any tax collected by him to the extent
10 that he is required to remit and does remit the tax imposed
11 by the Retailers' Occupation Tax Act, with respect to the
12 sale of the same property.

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

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

29 The Department may require returns to be filed on a
30 quarterly basis. If so required, a return for each calendar
31 quarter shall be filed on or before the twentieth day of the
32 calendar month following the end of such calendar quarter.
33 The taxpayer shall also file a return with the Department for
34 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 the business of selling tangible
6 personal property at retail in this State;

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

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

14 5. The amount of tax due;

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

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

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

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

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

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

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

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

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

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

1 the month during which such liability is incurred. On and
2 after October 1, 2000, if the taxpayer's average monthly tax
3 liability to the Department under this Act, the Retailers'
4 Occupation Tax Act, the Service Occupation Tax Act, and the
5 Service Use Tax Act was \$20,000 or more during the preceding
6 4 complete calendar quarters, he shall file a return with the
7 Department each month by the 20th day of the month next
8 following the month during which such tax liability is
9 incurred and shall make payment to the Department on or
10 before the 7th, 15th, 22nd and last day of the month during
11 which such liability is incurred. If the month during which
12 such tax liability is incurred began prior to January 1,
13 1985, each payment shall be in an amount equal to 1/4 of the
14 taxpayer's actual liability for the month or an amount set by
15 the Department not to exceed 1/4 of the average monthly
16 liability of the taxpayer to the Department for the preceding
17 4 complete calendar quarters (excluding the month of highest
18 liability and the month of lowest liability in such 4 quarter
19 period). If the month during which such tax liability is
20 incurred begins on or after January 1, 1985, and prior to
21 January 1, 1987, each payment shall be in an amount equal to
22 22.5% of the taxpayer's actual liability for the month or
23 27.5% of the taxpayer's liability for the same calendar month
24 of the preceding year. If the month during which such tax
25 liability is incurred begins on or after January 1, 1987, and
26 prior to January 1, 1988, each payment shall be in an amount
27 equal to 22.5% of the taxpayer's actual liability for the
28 month or 26.25% of the taxpayer's liability for the same
29 calendar month of the preceding year. If the month during
30 which such tax liability is incurred begins on or after
31 January 1, 1988, and prior to January 1, 1989, or begins on
32 or after January 1, 1996, each payment shall be in an amount
33 equal to 22.5% of the taxpayer's actual liability for the
34 month or 25% of the taxpayer's liability for the same

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

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

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

1 except that if such excess payment is shown on an original
2 monthly return and is made after December 31, 1986, no credit
3 memorandum shall be issued, unless requested by the taxpayer.
4 If no such request is made, the taxpayer may credit such
5 excess payment against tax liability subsequently to be
6 remitted by the taxpayer to the Department under this Act,
7 the Retailers' Occupation Tax Act, the Service Occupation Tax
8 Act or the Service Use Tax Act, in accordance with reasonable
9 rules and regulations prescribed by the Department. If the
10 Department subsequently determines that all or any part of
11 the credit taken was not actually due to the taxpayer, the
12 taxpayer's 2.1% or 1.75% vendor's discount shall be reduced
13 by 2.1% or 1.75% of the difference between the credit taken
14 and that actually due, and the taxpayer shall be liable for
15 penalties and interest on such difference.

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

27 If the retailer is otherwise required to file a monthly
28 or quarterly return and if the retailer's average monthly tax
29 liability to the Department does not exceed \$50, the
30 Department may authorize his returns to be filed on an annual
31 basis, with the return for a given year being due by January
32 20 of the following year.

33 Such quarter annual and annual returns, as to form and
34 substance, shall be subject to the same requirements as

1 monthly returns.

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

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

32 The transaction reporting return in the case of motor
33 vehicles or trailers that are required to be registered with
34 an agency of this State, shall be the same document as the

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

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

1 Department may reasonably require.

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

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

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

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

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

1 tax to the purchaser.

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

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

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

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

33 Beginning January 1, 1990, each month the Department
34 shall pay into the County and Mass Transit District Fund 4%

1 of the net revenue realized for the preceding month from the
2 6.25% general rate on the selling price of tangible personal
3 property which is purchased outside Illinois at retail from a
4 retailer and which is titled or registered by an agency of
5 this State's government.

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

14 Beginning August 1, 2000, each month the Department shall
15 pay into the State and Local Sales Tax Reform Fund 100% of
16 the net revenue realized for the preceding month from the
17 1.25% rate on the selling price of motor fuel and gasohol.

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

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

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

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

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

1 specified fiscal years.

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

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

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

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

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

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

34 Subject to payment of amounts into the Build Illinois

1 Fund, the McCormick Place Expansion Project Fund, and the
2 Local Government Distributive Fund pursuant to the preceding
3 paragraphs or in any amendments thereto hereafter enacted,
4 beginning with the receipt of the first report of taxes paid
5 by an eligible business and continuing for a 25-year period,
6 the Department shall each month pay into the Energy
7 Infrastructure Fund 80% of the net revenue realized from the
8 6.25% general rate on the selling price of Illinois-mined
9 coal that was sold to an eligible business. For purposes of
10 this paragraph, the term "eligible business" means a new
11 electric generating facility certified pursuant to Section
12 605-332 of the Department of Commerce and Community Affairs
13 Law of the Civil Administrative Code of Illinois.

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

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

28 Net revenue realized for a month shall be the revenue
29 collected by the State pursuant to this Act, less the amount
30 paid out during that month as refunds to taxpayers for
31 overpayment of liability.

32 For greater simplicity of administration, manufacturers,
33 importers and wholesalers whose products are sold at retail
34 in Illinois by numerous retailers, and who wish to do so, may

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

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

9 Section 925. The Service Use Tax Act is amended by
10 changing Section 9 as follows:

11 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

27 Except as provided hereinafter in this Section, on or
28 before the twentieth day of each calendar month, such
29 serviceman shall file a return for the preceding calendar
30 month in accordance with reasonable Rules and Regulations to
31 be promulgated by the Department. Such return shall be filed
32 on a form prescribed by the Department and shall contain such

1 information as the Department may reasonably require.

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

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

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

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

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

16 Before August 1 of each year beginning in 1993, the
17 Department shall notify all taxpayers required to make
18 payments by electronic funds transfer. All taxpayers required
19 to make payments by electronic funds transfer shall make
20 those payments for a minimum of one year beginning on October
21 1.

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

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

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

32 If the serviceman is otherwise required to file a monthly
33 return and if the serviceman's average monthly tax liability
34 to the Department does not exceed \$200, the Department may

1 authorize his returns to be filed on a quarter annual basis,
2 with the return for January, February and March of a given
3 year being due by April 20 of such year; with the return for
4 April, May and June of a given year being due by July 20 of
5 such year; with the return for July, August and September of
6 a given year being due by October 20 of such year, and with
7 the return for October, November and December of a given year
8 being due by January 20 of the following year.

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

15 Such quarter annual and annual returns, as to form and
16 substance, shall be subject to the same requirements as
17 monthly returns.

18 Notwithstanding any other provision in this Act
19 concerning the time within which a serviceman may file his
20 return, in the case of any serviceman who ceases to engage in
21 a kind of business which makes him responsible for filing
22 returns under this Act, such serviceman shall file a final
23 return under this Act with the Department not more than 1
24 month after discontinuing such business.

25 Where a serviceman collects the tax with respect to the
26 selling price of property which he sells and the purchaser
27 thereafter returns such property and the serviceman refunds
28 the selling price thereof to the purchaser, such serviceman
29 shall also refund, to the purchaser, the tax so collected
30 from the purchaser. When filing his return for the period in
31 which he refunds such tax to the purchaser, the serviceman
32 may deduct the amount of the tax so refunded by him to the
33 purchaser from any other Service Use Tax, Service Occupation
34 Tax, retailers' occupation tax or use tax which such

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 Subject to payment of amounts into the Build Illinois
 33 Fund and the McCormick Place Expansion Project Fund pursuant
 34 to the preceding paragraphs or in any amendment thereto

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

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

23 Subject to payment of amounts into the Build Illinois
24 Fund, the McCormick Place Expansion Project Fund, and the
25 Local Government Distributive Fund pursuant to the preceding
26 paragraphs or in any amendments thereto hereafter enacted,
27 beginning with the receipt of the first report of taxes paid
28 by an eligible business and continuing for a 25-year period,
29 the Department shall each month pay into the Energy
30 Infrastructure Fund 80% of the net revenue realized from the
31 6.25% general rate on the selling price of Illinois-mined
32 coal that was sold to an eligible business. For purposes of
33 this paragraph, the term "eligible business" means a new
34 electric generating facility certified pursuant to Section

1 605-332 of the Department of Commerce and Community Affairs
2 Law of the Civil Administrative Code of Illinois.

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

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

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

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

21 Section 930. The Service Occupation Tax Act is amended
22 by changing Section 9 as follows:

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

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

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

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

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

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

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

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

3 5. The amount of tax due;

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

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

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

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

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

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

1 for a given year being due by January 20 of the following
2 year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 Of the remainder of the moneys received by the Department
4 pursuant to this Act, (a) 1.75% thereof shall be paid into
5 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
6 and on and after July 1, 1989, 3.8% thereof shall be paid
7 into the Build Illinois Fund; provided, however, that if in
8 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
9 as the case may be, of the moneys received by the Department
10 and required to be paid into the Build Illinois Fund pursuant
11 to Section 3 of the Retailers' Occupation Tax Act, Section 9
12 of the Use Tax Act, Section 9 of the Service Use Tax Act, and
13 Section 9 of the Service Occupation Tax Act, such Acts being
14 hereinafter called the "Tax Acts" and such aggregate of 2.2%
15 or 3.8%, as the case may be, of moneys being hereinafter
16 called the "Tax Act Amount", and (2) the amount transferred
17 to the Build Illinois Fund from the State and Local Sales Tax
18 Reform Fund shall be less than the Annual Specified Amount
19 (as defined in Section 3 of the Retailers' Occupation Tax
20 Act), an amount equal to the difference shall be immediately
21 paid into the Build Illinois Fund from other moneys received
22 by the Department pursuant to the Tax Acts; and further
23 provided, that if on the last business day of any month the
24 sum of (1) the Tax Act Amount required to be deposited into
25 the Build Illinois Account in the Build Illinois Fund during
26 such month and (2) the amount transferred during such month
27 to the Build Illinois Fund from the State and Local Sales Tax
28 Reform Fund shall have been less than 1/12 of the Annual
29 Specified Amount, an amount equal to the difference shall be
30 immediately paid into the Build Illinois Fund from other
31 moneys received by the Department pursuant to the Tax Acts;
32 and, further provided, that in no event shall the payments
33 required under the preceding proviso result in aggregate
34 payments into the Build Illinois Fund pursuant to this clause

1 (b) for any fiscal year in excess of the greater of (i) the
2 Tax Act Amount or (ii) the Annual Specified Amount for such
3 fiscal year; and, further provided, that the amounts payable
4 into the Build Illinois Fund under this clause (b) shall be
5 payable only until such time as the aggregate amount on
6 deposit under each trust indenture securing Bonds issued and
7 outstanding pursuant to the Build Illinois Bond Act is
8 sufficient, taking into account any future investment income,
9 to fully provide, in accordance with such indenture, for the
10 defeasance of or the payment of the principal of, premium, if
11 any, and interest on the Bonds secured by such indenture and
12 on any Bonds expected to be issued thereafter and all fees
13 and costs payable with respect thereto, all as certified by
14 the 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 the
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 preceding sentence and shall reduce the amount
29 otherwise payable for such fiscal year pursuant to clause (b)
30 of the preceding sentence. The moneys received by the
31 Department pursuant to this Act and required to be deposited
32 into the Build Illinois Fund are subject to the pledge, claim
33 and 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 the sums designated
8 as "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 Subject to payment of amounts into the Build Illinois
14 Fund, the McCormick Place Expansion Project Fund, and the
15 Local Government Distributive Fund pursuant to the preceding
16 paragraphs or in any amendments thereto hereafter enacted,
17 beginning with the receipt of the first report of taxes paid
18 by an eligible business and continuing for a 25-year period,
19 the Department shall each month pay into the Energy
20 Infrastructure Fund 80% of the net revenue realized from the
21 6.25% general rate on the selling price of Illinois-mined
22 coal that was sold to an eligible business. For purposes of
23 this paragraph, the term "eligible business" means a new
24 electric generating facility certified pursuant to Section
25 605-332 of the Department of Commerce and Community Affairs
26 Law of the Civil Administrative Code of Illinois.

27 Remaining moneys received by the Department pursuant to
28 this Act shall be paid into the General Revenue Fund of the
29 State Treasury.

30 The Department may, upon separate written notice to a
31 taxpayer, require the taxpayer to prepare and file with the
32 Department on a form prescribed by the Department within not
33 less than 60 days after receipt of the notice an annual
34 information return for the tax year specified in the notice.

1 Such annual return to the Department shall include a
2 statement of gross receipts as shown by the taxpayer's last
3 Federal income tax return. If the total receipts of the
4 business as reported in the Federal income tax return do not
5 agree with the gross receipts reported to the Department of
6 Revenue for the same period, the taxpayer shall attach to his
7 annual return a schedule showing a reconciliation of the 2
8 amounts and the reasons for the difference. The taxpayer's
9 annual return to the Department shall also disclose the cost
10 of goods sold by the taxpayer during the year covered by such
11 return, opening and closing inventories of such goods for
12 such year, cost of goods used from stock or taken from stock
13 and given away by the taxpayer during such year, pay roll
14 information of the taxpayer's business during such year and
15 any additional reasonable information which the Department
16 deems would be helpful in determining the accuracy of the
17 monthly, quarterly or annual returns filed by such taxpayer
18 as hereinbefore provided for in this Section.

19 If the annual information return required by this Section
20 is not filed when and as required, the taxpayer shall be
21 liable as follows:

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

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

32 The chief executive officer, proprietor, owner or highest
33 ranking manager shall sign the annual return to certify the
34 accuracy of the information contained therein. Any person

1 who willfully signs the annual return containing false or
2 inaccurate information shall be guilty of perjury and
3 punished accordingly. The annual return form prescribed by
4 the Department shall include a warning that the person
5 signing the return may be liable for perjury.

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

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

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

22 For greater simplicity of administration, it shall be
23 permissible for manufacturers, importers and wholesalers
24 whose products are sold by numerous servicemen in Illinois,
25 and who wish to do so, to assume the responsibility for
26 accounting and paying to the Department all tax accruing
27 under this Act with respect to such sales, if the servicemen
28 who are affected do not make written objection to the
29 Department to this arrangement.

30 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
31 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
32 91-872, eff. 7-1-00.)

33 Section 935. The Retailers' Occupation Tax Act is

1 amended by changing Section 3 as follows:

2 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

8 1. The name of the seller;

9 2. His residence address and the address of his
10 principal place of business and the address of the
11 principal place of business (if that is a different
12 address) from which he engages in the business of selling
13 tangible personal property at retail in this State;

14 3. Total amount of receipts received by him during
15 the preceding calendar month or quarter, as the case may
16 be, from sales of tangible personal property, and from
17 services furnished, by him during such preceding calendar
18 month or quarter;

19 4. Total amount received by him during the
20 preceding calendar month or quarter on charge and time
21 sales of tangible personal property, and from services
22 furnished, by him prior to the month or quarter for which
23 the return is filed;

24 5. Deductions allowed by law;

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

28 7. The amount of credit provided in Section 2d of
29 this Act;

30 8. The amount of tax due;

31 9. The signature of the taxpayer; and

32 10. Such other reasonable information as the
33 Department may require.

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

5 Each return shall be accompanied by the statement of
6 prepaid tax issued pursuant to Section 2e for which credit is
7 claimed.

8 A retailer may accept a Manufacturer's Purchase Credit
9 certification from a purchaser in satisfaction of Use Tax as
10 provided in Section 3-85 of the Use Tax Act if the purchaser
11 provides the appropriate documentation as required by Section
12 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
13 certification, accepted by a retailer as provided in Section
14 3-85 of the Use Tax Act, may be used by that retailer to
15 satisfy Retailers' Occupation Tax liability in the amount
16 claimed in the certification, not to exceed 6.25% of the
17 receipts subject to tax from a qualifying purchase.

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

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

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

3 5. The amount of tax due; and

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

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

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

32 Before August 1 of each year beginning in 1993, the
33 Department shall notify all taxpayers required to make
34 payments by electronic funds transfer. All taxpayers

1 required to make payments by electronic funds transfer shall
2 make those payments for a minimum of one year beginning on
3 October 1.

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

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

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

14 Any amount which is required to be shown or reported on
15 any return or other document under this Act shall, if such
16 amount is not a whole-dollar amount, be increased to the
17 nearest whole-dollar amount in any case where the fractional
18 part of a dollar is 50 cents or more, and decreased to the
19 nearest whole-dollar amount where the fractional part of a
20 dollar is less than 50 cents.

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

32 If the retailer is otherwise required to file a monthly
33 or quarterly return and if the retailer's average monthly tax
34 liability with the Department does not exceed \$50, the

1 Department may authorize his returns to be filed on an annual
2 basis, with the return for a given year being due by January
3 20 of the following year.

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

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

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

20 In addition, with respect to motor vehicles, watercraft,
21 aircraft, and trailers that are required to be registered
22 with an agency of this State, every retailer selling this
23 kind of tangible personal property shall file, with the
24 Department, upon a form to be prescribed and supplied by the
25 Department, a separate return for each such item of tangible
26 personal property which the retailer sells, except that if,
27 in the same transaction, (i) a retailer of aircraft,
28 watercraft, motor vehicles or trailers transfers more than
29 one aircraft, watercraft, motor vehicle or trailer to another
30 aircraft, watercraft, motor vehicle retailer or trailer
31 retailer for the purpose of resale or (ii) a retailer of
32 aircraft, watercraft, motor vehicles, or trailers transfers
33 more than one aircraft, watercraft, motor vehicle, or trailer
34 to a purchaser for use as a qualifying rolling stock as

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

10 Any retailer who sells only motor vehicles, watercraft,
11 aircraft, or trailers that are required to be registered with
12 an agency of this State, so that all retailers' occupation
13 tax liability is required to be reported, and is reported, on
14 such transaction reporting returns and who is not otherwise
15 required to file monthly or quarterly returns, need not file
16 monthly or quarterly returns. However, those retailers shall
17 be required to file returns on an annual basis.

18 The transaction reporting return, in the case of motor
19 vehicles or trailers that are required to be registered with
20 an agency of this State, shall be the same document as the
21 Uniform Invoice referred to in Section 5-402 of The Illinois
22 Vehicle Code and must show the name and address of the
23 seller; the name and address of the purchaser; the amount of
24 the selling price including the amount allowed by the
25 retailer for traded-in property, if any; the amount allowed
26 by the retailer for the traded-in tangible personal property,
27 if any, to the extent to which Section 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; such other information as is required in
3 Section 5-402 of The Illinois Vehicle Code, and such other
4 information as the Department may reasonably require.

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

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

34 With each such transaction reporting return, the retailer

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

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

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

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

6 Refunds made by the seller during the preceding return
7 period to purchasers, on account of tangible personal
8 property returned to the seller, shall be allowed as a
9 deduction under subdivision 5 of his monthly or quarterly
10 return, as the case may be, in case the seller had
11 theretofore included the receipts from the sale of such
12 tangible personal property in a return filed by him and had
13 paid the tax imposed by this Act with respect to such
14 receipts.

15 Where the seller is a corporation, the return filed on
16 behalf of such corporation shall be signed by the president,
17 vice-president, secretary or treasurer or by the properly
18 accredited agent of such corporation.

19 Where the seller is a limited liability company, the
20 return filed on behalf of the limited liability company shall
21 be signed by a manager, member, or properly accredited agent
22 of the limited liability company.

23 Except as provided in this Section, the retailer filing
24 the return under this Section shall, at the time of filing
25 such return, pay to the Department the amount of tax imposed
26 by this Act less a discount of 2.1% prior to January 1, 1990
27 and 1.75% on and after January 1, 1990, or \$5 per calendar
28 year, whichever is greater, which is allowed to reimburse the
29 retailer for the expenses incurred in keeping records,
30 preparing and filing returns, remitting the tax and supplying
31 data to the Department on request. Any prepayment made
32 pursuant to Section 2d of this Act shall be included in the
33 amount on which such 2.1% or 1.75% discount is computed. In
34 the case of retailers who report and pay the tax on a

1 transaction by transaction basis, as provided in this
2 Section, such discount shall be taken with each such tax
3 remittance instead of when such retailer files his periodic
4 return.

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

1 If the month during which such tax liability is incurred
2 begins on or after January 1, 1985 and prior to January 1,
3 1987, each payment shall be in an amount equal to 22.5% of
4 the taxpayer's actual liability for the month or 27.5% of the
5 taxpayer's liability for the same calendar month of the
6 preceding year. If the month during which such tax liability
7 is incurred begins on or after January 1, 1987 and prior to
8 January 1, 1988, each payment shall be in an amount equal to
9 22.5% of the taxpayer's actual liability for the month or
10 26.25% of the taxpayer's liability for the same calendar
11 month of the preceding year. If the month during which such
12 tax liability is incurred begins on or after January 1, 1988,
13 and prior to January 1, 1989, or begins on or after January
14 1, 1996, each payment shall be in an amount equal to 22.5% of
15 the taxpayer's actual liability for the month or 25% of the
16 taxpayer's liability for the same calendar month of the
17 preceding year. If the month during which such tax liability
18 is incurred begins on or after January 1, 1989, and prior to
19 January 1, 1996, each payment shall be in an amount equal to
20 22.5% of the taxpayer's actual liability for the month or 25%
21 of the taxpayer's liability for the same calendar month of
22 the preceding year or 100% of the taxpayer's actual liability
23 for the quarter monthly reporting period. The amount of such
24 quarter monthly payments shall be credited against the final
25 tax liability of the taxpayer's return for that month.
26 Before October 1, 2000, once applicable, the requirement of
27 the making of quarter monthly payments to the Department by
28 taxpayers having an average monthly tax liability of \$10,000
29 or more as determined in the manner provided above shall
30 continue until such taxpayer's average monthly liability to
31 the Department during the preceding 4 complete calendar
32 quarters (excluding the month of highest liability and the
33 month of lowest liability) is less than \$9,000, or until such
34 taxpayer's average monthly liability to the Department as

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

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

7 Without regard to whether a taxpayer is required to make
8 quarter monthly payments as specified above, any taxpayer who
9 is required by Section 2d of this Act to collect and remit
10 prepaid taxes and has collected prepaid taxes which average
11 in excess of \$25,000 per month during the preceding 2
12 complete calendar quarters, shall file a return with the
13 Department as required by Section 2f and shall make payments
14 to the Department on or before the 7th, 15th, 22nd and last
15 day of the month during which such liability is incurred. If
16 the month during which such tax liability is incurred began
17 prior to the effective date of this amendatory Act of 1985,
18 each payment shall be in an amount not less than 22.5% of the
19 taxpayer's actual liability under Section 2d. If the month
20 during which such tax liability is incurred begins on or
21 after January 1, 1986, each payment shall be in an amount
22 equal to 22.5% of the taxpayer's actual liability for the
23 month or 27.5% of the taxpayer's liability for the same
24 calendar month of the preceding calendar year. If the month
25 during which such tax liability is incurred begins on or
26 after January 1, 1987, each payment shall be in an amount
27 equal to 22.5% of the taxpayer's actual liability for the
28 month or 26.25% of the taxpayer's liability for the same
29 calendar month of the preceding year. The amount of such
30 quarter monthly payments shall be credited against the final
31 tax liability of the taxpayer's return for that month filed
32 under this Section or Section 2f, as the case may be. Once
33 applicable, the requirement of the making of quarter monthly
34 payments to the Department pursuant to this paragraph shall

1 continue until such taxpayer's average monthly prepaid tax
2 collections during the preceding 2 complete calendar quarters
3 is \$25,000 or less. If any such quarter monthly payment is
4 not paid at the time or in the amount required, the taxpayer
5 shall be liable for penalties and interest on such
6 difference, except insofar as the taxpayer has previously
7 made payments for that month in excess of the minimum
8 payments previously due.

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

32 If a retailer of motor fuel is entitled to a credit under
33 Section 2d of this Act which exceeds the taxpayer's liability
34 to the Department under this Act for the month which the

1 taxpayer is filing a return, the Department shall issue the
2 taxpayer a credit memorandum for the excess.

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

13 Beginning January 1, 1990, each month the Department
14 shall pay into the County and Mass Transit District Fund, a
15 special fund in the State treasury which is hereby created,
16 4% of the net revenue realized for the preceding month from
17 the 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 January 1, 1990, each month the Department
23 shall pay into the Local Government Tax Fund 16% of the net
24 revenue realized for the preceding month from the 6.25%
25 general rate on the selling price of tangible personal
26 property.

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

31 Of the remainder of the moneys received by the Department
32 pursuant to this Act, (a) 1.75% thereof shall be paid into
33 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
34 and on and after July 1, 1989, 3.8% thereof shall be paid

1 into the Build Illinois Fund; provided, however, that if in
 2 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
 3 as the case may be, of the moneys received by the Department
 4 and required to be paid into the Build Illinois Fund pursuant
 5 to this Act, Section 9 of the Use Tax Act, Section 9 of the
 6 Service Use Tax Act, and Section 9 of the Service Occupation
 7 Tax Act, such Acts being hereinafter called the "Tax Acts"
 8 and such aggregate of 2.2% or 3.8%, as the case may be, of
 9 moneys being hereinafter called the "Tax Act Amount", and (2)
 10 the amount transferred to the Build Illinois Fund from the
 11 State and Local Sales Tax Reform Fund shall be less than the
 12 Annual Specified Amount (as hereinafter defined), an amount
 13 equal to the difference shall be immediately paid into the
 14 Build Illinois Fund from other moneys received by the
 15 Department pursuant to the Tax Acts; the "Annual Specified
 16 Amount" means the amounts specified below for fiscal years
 17 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

27 and means the Certified Annual Debt Service Requirement (as
 28 defined in Section 13 of the Build Illinois Bond Act) or the
 29 Tax Act Amount, whichever is greater, for fiscal year 1994
 30 and each fiscal year thereafter; and further provided, that
 31 if on the last business day of any month the sum of (1) the
 32 Tax Act Amount required to be deposited into the Build
 33 Illinois Bond Account in the Build Illinois Fund during such
 34 month and (2) the amount transferred to the Build Illinois

1 Fund from the State and Local Sales Tax Reform Fund shall
2 have been less than 1/12 of the Annual Specified Amount, an
3 amount equal to the difference shall be immediately paid into
4 the Build Illinois Fund from other moneys received by the
5 Department pursuant to the Tax Acts; and, further provided,
6 that in no event shall the payments required under the
7 preceding proviso result in aggregate payments into the Build
8 Illinois Fund pursuant to this clause (b) for any fiscal year
9 in excess of the greater of (i) the Tax Act Amount or (ii)
10 the Annual Specified Amount for such fiscal year. The
11 amounts payable into the Build Illinois Fund under clause (b)
12 of the first sentence in this paragraph shall be payable only
13 until such time as the aggregate amount on deposit under each
14 trust indenture securing Bonds issued and outstanding
15 pursuant to the Build Illinois Bond Act is sufficient, taking
16 into account any future investment income, to fully provide,
17 in accordance with such indenture, for the defeasance of or
18 the payment of the principal of, premium, if any, and
19 interest on the Bonds secured by such indenture and on any
20 Bonds expected to be issued thereafter and all fees and costs
21 payable with respect thereto, all as certified by the
22 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
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 first sentence of this paragraph and shall reduce the
 3 amount otherwise payable for such fiscal year pursuant to
 4 that clause (b). The moneys received by the Department
 5 pursuant to this Act and required to be deposited into the
 6 Build Illinois Fund are subject to the pledge, claim and
 7 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 sums designated as
 16 "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
 16 Act, 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 photoprocessing
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 Subject to payment of amounts into the Build Illinois
22 Fund, the McCormick Place Expansion Project Fund, and the
23 Local Government Distributive Fund pursuant to the preceding
24 paragraphs or in any amendments thereto hereafter enacted,
25 beginning with the receipt of the first report of taxes paid
26 by an eligible business and continuing for a 25-year period,
27 the Department shall each month pay into the Energy
28 Infrastructure Fund 80% of the net revenue realized from the
29 6.25% general rate on the selling price of Illinois-mined
30 coal that was sold to an eligible business. For purposes of
31 this paragraph, the term "eligible business" means a new
32 electric generating facility certified pursuant to Section
33 605-332 of the Department of Commerce and Community Affairs
34 Law of the Civil Administrative Code of Illinois.

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 The Department may, upon separate written notice to a
8 taxpayer, require the taxpayer to prepare and file with the
9 Department on a form prescribed by the Department within not
10 less than 60 days after receipt of the notice an annual
11 information return for the tax year specified in the notice.
12 Such annual return to the Department shall include a
13 statement of gross receipts as shown by the retailer's last
14 Federal income tax return. If the total receipts of the
15 business as reported in the Federal income tax return do not
16 agree with the gross receipts reported to the Department of
17 Revenue for the same period, the retailer shall attach to his
18 annual return a schedule showing a reconciliation of the 2
19 amounts and the reasons for the difference. The retailer's
20 annual return to the Department shall also disclose the cost
21 of goods sold by the retailer during the year covered by such
22 return, opening and closing inventories of such goods for
23 such year, costs of goods used from stock or taken from stock
24 and given away by the retailer during such year, payroll
25 information of the retailer's business during such year and
26 any additional reasonable information which the Department
27 deems would be helpful in determining the accuracy of the
28 monthly, quarterly or annual returns filed by such retailer
29 as provided for in this Section.

30 If the annual information return required by this Section
31 is not filed when and as required, the taxpayer shall be
32 liable as follows:

33 (i) Until January 1, 1994, the taxpayer shall be
34 liable for a penalty equal to 1/6 of 1% of the tax due

1 from such taxpayer under this Act during the period to be
2 covered by the annual return for each month or fraction
3 of a month until such return is filed as required, the
4 penalty to be assessed and collected in the same manner
5 as any other penalty provided for in this Act.

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

9 The chief executive officer, proprietor, owner or highest
10 ranking manager shall sign the annual return to certify the
11 accuracy of the information contained therein. Any person
12 who willfully signs the annual return containing false or
13 inaccurate information shall be guilty of perjury and
14 punished accordingly. The annual return form prescribed by
15 the Department shall include a warning that the person
16 signing the return may be liable for perjury.

17 The provisions of this Section concerning the filing of
18 an annual information return do not apply to a retailer who
19 is not required to file an income tax return with the United
20 States Government.

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

29 Net revenue realized for a month shall be the revenue
30 collected by the State pursuant to this Act, less the amount
31 paid out during that month as refunds to taxpayers for
32 overpayment of liability.

33 For greater simplicity of administration, manufacturers,
34 importers and wholesalers whose products are sold at retail

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

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

23 Any person engaged in the business of selling tangible
24 personal property at retail as a concessionaire or other type
25 of seller at the Illinois State Fair, county fairs, art
26 shows, flea markets and similar exhibitions or events, or any
27 transient merchants, as defined by Section 2 of the Transient
28 Merchant Act of 1987, may be required to make a daily report
29 of the amount of such sales to the Department and to make a
30 daily payment of the full amount of tax due. The Department
31 shall impose this requirement when it finds that there is a
32 significant risk of loss of revenue to the State at such an
33 exhibition or event. Such a finding shall be based on
34 evidence that a substantial number of concessionaires or

1 other sellers who are not residents of Illinois will be
2 engaging in the business of selling tangible personal
3 property at retail at the exhibition or event, or other
4 evidence of a significant risk of loss of revenue to the
5 State. The Department shall notify concessionaires and other
6 sellers affected by the imposition of this requirement. In
7 the absence of notification by the Department, the
8 concessionaires and other sellers shall file their returns as
9 otherwise required in this Section.

10 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
11 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
12 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
13 eff. 1-1-01; revised 1-15-01.)

14 Section 940. The Property Tax Code is amended by
15 changing Section 18-165 as follows:

16 (35 ILCS 200/18-165)

17 Sec. 18-165. Abatement of taxes.

18 (a) Any taxing district, upon a majority vote of its
19 governing authority, may, after the determination of the
20 assessed valuation of its property, order the clerk of that
21 county to abate any portion of its taxes on the following
22 types of property:

23 (1) Commercial and industrial.

24 (A) The property of any commercial or
25 industrial firm, including but not limited to the
26 property of (i) any firm that is used for
27 collecting, separating, storing, or processing
28 recyclable materials, locating within the taxing
29 district during the immediately preceding year from
30 another state, territory, or country, or having been
31 newly created within this State during the
32 immediately preceding year, or expanding an existing

1 facility, or (ii) any firm that is used for the
2 generation and transmission of electricity locating
3 within the taxing district during the immediately
4 preceding year or expanding its presence within the
5 taxing district during the immediately preceding
6 year by construction of a new electric generating
7 facility that uses natural gas as its fuel, or any
8 firm that is used for production operations at a
9 new, expanded, or reopened coal mine within the
10 taxing district, that has been certified as a High
11 Impact Business by the Illinois Department of
12 Commerce and Community Affairs. The property of any
13 firm used for the generation and transmission of
14 electricity shall include all property of the firm
15 used for transmission facilities as defined in
16 Section 5.5 of the Illinois Enterprise Zone Act.
17 The abatement shall not exceed a period of 10 years
18 and the aggregate amount of abated taxes for all
19 taxing districts combined shall not exceed
20 \$4,000,000.

21 (A-5) Any property in the taxing district of a
22 new electric generating facility, as defined in
23 Section 605-332 of the Department of Commerce and
24 Community Affairs Law of the Civil Administrative
25 Code of Illinois. The abatement shall not exceed a
26 period of 10 years. The abatement shall be subject
27 to the following limitations:

28 (i) if the equalized assessed valuation
29 of the new electric generating facility is
30 equal to or greater than \$25,000,000 but less
31 than \$50,000,000, then the abatement may not
32 exceed (i) over the entire term of the
33 abatement, 5% of the taxing district's
34 aggregate taxes from the new electric

1 generating facility and (ii) in any one year of
2 abatement, 20% of the taxing district's taxes
3 from the new electric generating facility;

4 (ii) if the equalized assessed valuation
5 of the new electric generating facility is
6 equal to or greater than \$50,000,000 but less
7 than \$75,000,000, then the abatement may not
8 exceed (i) over the entire term of the
9 abatement, 10% of the taxing district's
10 aggregate taxes from the new electric
11 generating facility and (ii) in any one year of
12 abatement, 35% of the taxing district's taxes
13 from the new electric generating facility;

14 (iii) if the equalized assessed valuation
15 of the new electric generating facility is
16 equal to or greater than \$75,000,000 but less
17 than \$100,000,000, then the abatement may not
18 exceed (i) over the entire term of the
19 abatement, 20% of the taxing district's
20 aggregate taxes from the new electric
21 generating facility and (ii) in any one year of
22 abatement, 50% of the taxing district's taxes
23 from the new electric generating facility;

24 (iv) if the equalized assessed valuation
25 of the new electric generating facility is
26 equal to or greater than \$100,000,000 but less
27 than \$125,000,000, then the abatement may not
28 exceed (i) over the entire term of the
29 abatement, 30% of the taxing district's
30 aggregate taxes from the new electric
31 generating facility and (ii) in any one year of
32 abatement, 60% of the taxing district's taxes
33 from the new electric generating facility;

34 (v) if the equalized assessed valuation

1 of the new electric generating facility is
 2 equal to or greater than \$125,000,000 but less
 3 than \$150,000,000, then the abatement may not
 4 exceed (i) over the entire term of the
 5 abatement, 40% of the taxing district's
 6 aggregate taxes from the new electric
 7 generating facility and (ii) in any one year of
 8 abatement, 60% of the taxing district's taxes
 9 from the new electric generating facility;

10 (vi) if the equalized assessed valuation
 11 of the new electric generating facility is
 12 equal to or greater than \$150,000,000, then the
 13 abatement may not exceed (i) over the entire
 14 term of the abatement, 50% of the taxing
 15 district's aggregate taxes from the new
 16 electric generating facility and (ii) in any
 17 one year of abatement, 60% of the taxing
 18 district's taxes from the new electric
 19 generating facility.

20 The abatement is not effective unless the owner
 21 of the new electric generating facility agrees to
 22 repay to the taxing district all amounts previously
 23 abated, together with interest computed at the rate
 24 and in the manner provided for delinquent taxes, in
 25 the event that the owner of the new electric
 26 generating facility closes the new electric
 27 generating facility before the expiration of the
 28 entire term of the abatement.

29 The authorization of taxing districts to abate
 30 taxes under this subdivision (a)(1)(A-5) expires on
 31 January 1, 2010.~~er~~

32 (B) The property of any commercial or
 33 industrial development of at least 500 acres having
 34 been created within the taxing district. The

1 abatement shall not exceed a period of 20 years and
2 the aggregate amount of abated taxes for all taxing
3 districts combined shall not exceed \$12,000,000.

4 (C) The property of any commercial or
5 industrial firm currently located in the taxing
6 district that expands a facility or its number of
7 employees. The abatement shall not exceed a period
8 of 10 years and the aggregate amount of abated taxes
9 for all taxing districts combined shall not exceed
10 \$4,000,000. The abatement period may be renewed at
11 the option of the taxing districts.

12 (2) Horse racing. Any property in the taxing
13 district which is used for the racing of horses and upon
14 which capital improvements consisting of expansion,
15 improvement or replacement of existing facilities have
16 been made since July 1, 1987. The combined abatements
17 for such property from all taxing districts in any county
18 shall not exceed \$5,000,000 annually and shall not exceed
19 a period of 10 years.

20 (3) Auto racing. Any property designed exclusively
21 for the racing of motor vehicles. Such abatement shall
22 not exceed a period of 10 years.

23 (4) Academic or research institute. The property
24 of any academic or research institute in the taxing
25 district that (i) is an exempt organization under
26 paragraph (3) of Section 501(c) of the Internal Revenue
27 Code, (ii) operates for the benefit of the public by
28 actually and exclusively performing scientific research
29 and making the results of the research available to the
30 interested public on a non-discriminatory basis, and
31 (iii) employs more than 100 employees. An abatement
32 granted under this paragraph shall be for at least 15
33 years and the aggregate amount of abated taxes for all
34 taxing districts combined shall not exceed \$5,000,000.

1 (5) Housing for older persons. Any property in the
2 taxing district that is devoted exclusively to affordable
3 housing for older households. For purposes of this
4 paragraph, "older households" means those households (i)
5 living in housing provided under any State or federal
6 program that the Department of Human Rights determines is
7 specifically designed and operated to assist elderly
8 persons and is solely occupied by persons 55 years of age
9 or older and (ii) whose annual income does not exceed 80%
10 of the area gross median income, adjusted for family
11 size, as such gross income and median income are
12 determined from time to time by the United States
13 Department of Housing and Urban Development. The
14 abatement shall not exceed a period of 15 years, and the
15 aggregate amount of abated taxes for all taxing districts
16 shall not exceed \$3,000,000.

17 (6) Historical society. For assessment years 1998
18 through 2000, the property of an historical society
19 qualifying as an exempt organization under Section
20 501(c)(3) of the federal Internal Revenue Code.

21 (7) Recreational facilities. Any property in the
22 taxing district (i) that is used for a municipal airport,
23 (ii) that is subject to a leasehold assessment under
24 Section 9-195 of this Code and (iii) which is sublet from
25 a park district that is leasing the property from a
26 municipality, but only if the property is used
27 exclusively for recreational facilities or for parking
28 lots used exclusively for those facilities. The
29 abatement shall not exceed a period of 10 years.

30 (b) Upon a majority vote of its governing authority, any
31 municipality may, after the determination of the assessed
32 valuation of its property, order the county clerk to abate
33 any portion of its taxes on any property that is located
34 within the corporate limits of the municipality in accordance

1 with Section 8-3-18 of the Illinois Municipal Code.
2 (Source: P.A. 90-46, eff. 7-3-97; 90-415, eff. 8-15-97;
3 90-568, eff. 1-1-99; 90-655, eff. 7-30-98; 91-644, eff.
4 8-20-99; 91-885, eff. 7-6-00.)

5 Section 945. The Public Utilities Act is amended by
6 changing Sections 9-222, 9-222.1A, and 16-126 as follows:

7 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

8 Sec. 9-222. Whenever a tax is imposed upon a public
9 utility engaged in the business of distributing, supplying,
10 furnishing, or selling gas for use or consumption pursuant to
11 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
12 required to be collected by a delivering supplier pursuant to
13 Section 2-7 of the Electricity Excise Tax Act, or whenever a
14 tax is imposed upon a public utility pursuant to Section
15 2-202 of this Act, such utility may charge its customers,
16 other than customers who are high impact businesses under
17 Section 5.5 of the Illinois Enterprise Zone Act, or certified
18 business enterprises under Section 9-222.1 of this Act, to
19 the extent of such exemption and during the period in which
20 such exemption is in effect, in addition to any rate
21 authorized by this Act, an additional charge equal to the
22 total amount of such taxes. The exemption of this Section
23 relating to high impact businesses shall be subject to the
24 provisions of subsections (a), and (b), and (b-5) of Section
25 5.5 of the Illinois Enterprise Zone Act. This requirement
26 shall not apply to taxes on invested capital imposed pursuant
27 to the Messages Tax Act, the Gas Revenue Tax Act and the
28 Public Utilities Revenue Act. Such utility shall file with
29 the Commission a supplemental schedule which shall specify
30 such additional charge and which shall become effective upon
31 filing without further notice. Such additional charge shall
32 be shown separately on the utility bill to each customer.

1 The Commission shall have the power to investigate whether or
2 not such supplemental schedule correctly specifies such
3 additional charge, but shall have no power to suspend such
4 supplemental schedule. If the Commission finds, after a
5 hearing, that such supplemental schedule does not correctly
6 specify such additional charge, it shall by order require a
7 refund to the appropriate customers of the excess, if any,
8 with interest, in such manner as it shall deem just and
9 reasonable, and in and by such order shall require the
10 utility to file an amended supplemental schedule
11 corresponding to the finding and order of the Commission.
12 Except with respect to taxes imposed on invested capital,
13 such tax liabilities shall be recovered from customers solely
14 by means of the additional charges authorized by this
15 Section.

16 (Source: P.A. 91-914, eff. 7-7-00.)

17 (220 ILCS 5/9-222.1A)

18 Sec. 9-222.1A. High impact business. Beginning on August
19 1, 1998 and thereafter, a business enterprise that is
20 certified as a High Impact Business by the Department of
21 Commerce and Community Affairs is exempt from the tax
22 imposed by Section 2-4 of the Electricity Excise Tax Law, if
23 the High Impact Business is registered to self-assess that
24 tax, and is exempt from any additional charges added to the
25 business enterprise's utility bills as a pass-on of State
26 utility taxes under Section 9-222 of this Act, to the extent
27 the tax or charges are exempted by the percentage specified
28 by the Department of Commerce and Community Affairs for
29 State utility taxes, provided the business enterprise meets
30 the following criteria:

31 (1) (A) it intends either (i) to make a minimum
32 eligible investment of \$12,000,000 that will be
33 placed in service in qualified property in Illinois

1 and is intended to create at least 500 full-time
2 equivalent jobs at a designated location in
3 Illinois; or (ii) to make a minimum eligible
4 investment of \$30,000,000 that will be placed in
5 service in qualified property in Illinois and is
6 intended to retain at least 1,500 full-time
7 equivalent jobs at a designated location in
8 Illinois; or

9 (B) it meets the criteria of subdivision
10 (a)(3)(B), (a)(3)(C), or (a)(3)(D) of Section 5.5 of
11 the Illinois Enterprise Zone Act;

12 (2) it is designated as a High Impact Business by
13 the Department of Commerce and Community Affairs; and

14 (3) it is certified by the Department of Commerce
15 and Community Affairs as complying with the requirements
16 specified in clauses (1) and (2) of this Section.

17 The Department of Commerce and Community Affairs shall
18 determine the period during which the exemption from the
19 Electricity Excise Tax Law and the charges imposed under
20 Section 9-222 are in effect, which shall not exceed 20 years
21 from the date of initial certification, and shall specify the
22 percentage of the exemption from those taxes or additional
23 charges.

24 The Department of Commerce and Community Affairs is
25 authorized to promulgate rules and regulations to carry out
26 the provisions of this Section, including procedures for
27 complying with the requirements specified in clauses (1)
28 and (2) of this Section and procedures for applying for the
29 exemptions authorized under this Section; to define the
30 amounts and types of eligible investments that business
31 enterprises must make in order to receive State utility tax
32 exemptions or exemptions from the additional charges imposed
33 under Section 9-222 and this Section; to approve such utility
34 tax exemptions for business enterprises whose investments are

1 not yet placed in service; and to require that business
2 enterprises granted tax exemptions or exemptions from
3 additional charges under Section 9-222 repay the exempted
4 amount if the business enterprise fails to comply with the
5 terms and conditions of the certification.

6 Upon certification of the business enterprises by the
7 Department of Commerce and Community Affairs, the Department
8 of Commerce and Community Affairs shall notify the Department
9 of Revenue of the certification. The Department of Revenue
10 shall notify the public utilities of the exemption status of
11 business enterprises from the tax or pass-on charges of State
12 utility taxes. The exemption status shall take effect within
13 3 months after certification of the business enterprise.

14 (Source: P.A. 91-914, eff. 7-7-00.)

15 (220 ILCS 5/16-126)

16 Sec. 16-126. Membership in an independent system
17 operator.

18 (a) The General Assembly finds that the establishment of
19 one or more independent system operators or their functional
20 equivalents is required to facilitate the development of an
21 open and efficient marketplace for electric power and energy
22 to the benefit of Illinois consumers. Therefore, each
23 Illinois electric utility owning or controlling transmission
24 facilities or providing transmission services in Illinois and
25 that is a member of the Mid-American Interconnected Network
26 as of the effective date of this amendatory Act of 1997 shall
27 submit for approval to the Federal Energy Regulatory
28 Commission an application for establishing or joining an
29 independent system operator that shall:

30 (1) independently manage and control transmission
31 facilities of any electric utility;

32 (2) provide for nondiscriminatory access to and use
33 of the transmission system for buyers and sellers of

1 electricity;

2 (3) direct the transmission activities of the
3 control area operators;

4 (4) coordinate, plan, and order the installation of
5 new transmission facilities;

6 (5) adopt inspection, maintenance, repair, and
7 replacement standards for the transmission facilities
8 under its control and direct maintenance, repair, and
9 replacement of all facilities under its control; and

10 (6) implement procedures and act to assure the
11 provision of adequate and reliable service.

12 These standards shall be consistent with reliability
13 criteria no less stringent than those established by the
14 Mid-American Interconnected Network and the North American
15 Electric Reliability Council or their successors.

16 (b) The requirements of this Section may be met by
17 joining or establishing a regional independent system
18 operator that meets the criteria enumerated in subsections
19 (a), (c), and (d) of this Section, as determined by the
20 Commission. To achieve the objectives set forth in subsection
21 (a), the State of Illinois, through the appropriate officers,
22 departments, and agencies, shall work cooperatively with the
23 appropriate officials and agencies of those States contiguous
24 to this State and the Federal Energy Regulatory Commission
25 towards the formation of one or more regional independent
26 system operators.

27 (c) The independent system operator's governance
28 structure must be fair and nondiscriminatory, and the
29 independent system operator must be independent of any one
30 market participant or class of participants. The independent
31 system operator's rules of governance must prevent control,
32 or the appearance of control, of decision-making by any class
33 of participants.

34 (d) Participants in the independent system operator

1 shall make available to the independent system operator all
2 information required by the independent system operator in
3 performance of its functions described herein. The
4 independent system operator and the electric utilities
5 participating in the independent system operator shall make
6 all filings required by the Federal Energy Regulatory
7 Commission. The independent system operator shall ensure that
8 additional filings at the Federal Energy Regulatory
9 Commission request confirmation of the relevant provisions of
10 this amendatory Act of 1997.

11 (e) If a spot market, exchange market, or other
12 market-based mechanism providing transparent real-time market
13 prices for electric power has not been developed, the
14 independent system operator or a closely cooperating agent of
15 the independent system operator may provide an efficient
16 competitive power exchange auction for electric power and
17 energy, open on a nondiscriminatory basis to all suppliers,
18 which meets the loads of all auction customers at efficient
19 prices.

20 (f) For those electric utilities referred to in
21 subsection (a) which have not filed with the Federal Energy
22 Regulatory Commission by June 30, 1998 an application for
23 establishment or participation in an independent system
24 operator or if such application has not been approved by the
25 Federal Energy Regulatory Commission by March 31, 1999, a 5
26 member Oversight Board shall be formed. The Oversight Board
27 shall (1) oversee the creation of an Illinois independent
28 system operator and (2) determine the composition and initial
29 terms of service of, and appoint the initial members of, the
30 Illinois independent system operator board of directors. The
31 Oversight Board shall consist of the following: (1) 3 persons
32 appointed by the Governor; (2) one person appointed by the
33 Speaker of the House of Representatives; and (3) one person
34 appointed by the President of the Senate. The Oversight Board

1 shall take the steps that are necessary to ensure the
2 earliest possible incorporation of an Illinois independent
3 system operator under the Business Corporation Act of 1983,
4 and shall serve until the Illinois independent system
5 operator is incorporated.

6 (g) After notice and hearing, the Commission shall
7 require each electric utility referred to in subsection (a),
8 that is not participating in an independent system operator
9 meeting the requirements of subsections (a) and (c), to seek
10 authority from the Federal Energy Regulatory Commission to
11 transfer functional control of transmission facilities to the
12 Illinois independent system operator for control by the
13 Illinois independent system operator consistent with the
14 requirements of subsection (a). Upon approval by the Federal
15 Energy Regulatory Commission, electric utilities may also
16 elect to transfer ownership of transmission facilities to the
17 Illinois independent system operator. Nothing in this Act
18 shall be deemed to preclude the Illinois independent system
19 operator from (1) seeking authority, as necessary, to merge
20 with or otherwise combine its operations with those of one or
21 more other entities authorized to provide transmission
22 services, (2) purchasing or leasing transmission assets from
23 transmission-owning entities not required by this Section to
24 lease transmission facilities to the Illinois independent
25 system operator, or (3) operating as a transmission public
26 utility under the Federal Power Act.

27 (h) Any other owner of transmission facilities in
28 Illinois not required by this Section to participate in an
29 independent system operator shall be permitted, but not
30 required, to become a member of the Illinois independent
31 system operator.

32 (i) The Illinois independent system operator created
33 under this Section, and any other independent system operator
34 authorized by the Federal Energy Regulatory Commission to

1 provide transmission services as a public utility under the
2 Federal Power Act within the State of Illinois, shall be
3 deemed to be a public utility for purposes of Section 8-503
4 and 8-509 of this Act. An independent system operator or
5 regional transmission organization that is the subject of an
6 order entered by the Commission under Section 8-503 need not
7 possess a certificate of service authority under Section
8 8-406 in order to be authorized to take the actions set forth
9 in Section 8-509.

10 (j) Electric utilities referred to in subsection (a) may
11 withdraw from the Illinois independent system operator upon
12 becoming a member of an independent system operator or
13 operators conforming with the criteria in subsections (a) and
14 (c) and whose formation and operation has been approved by
15 the Federal Energy Regulatory Commission. This subsection
16 does not relieve any electric utility of any obligations
17 under Federal law.

18 (k) Nothing in this Section shall be construed as
19 imposing any requirements or obligations that are in conflict
20 with federal law.

21 (l) A regional transmission organization created under
22 the rules of the Federal Energy Regulatory Commission shall
23 be considered to be the functional equivalent of an
24 independent system operator for purposes of this Section, and
25 an electric utility shall be deemed to meet its obligations
26 under this Section through membership in a regional
27 transmission organization that fulfills the requirements of
28 an independent system operator under this Section.

29 (Source: P.A. 90-561, eff. 12-16-97.)

30 Section 950. The Environmental Protection Act is amended
31 by changing Section 9.9 and adding Section 9.10 as follows:

32 (415 ILCS 5/9.9)

1 Sec. 9.9. Nitrogen oxides trading system.

2 (a) The General Assembly finds:

3 (1) That USEPA has issued a Final Rule published in
4 the Federal Register on October 27, 1998, entitled
5 "Finding of Significant Contribution and Rulemaking for
6 Certain States in the Ozone Transport Assessment Group
7 Region for Purposes of Reducing Regional Transport of
8 Ozone", hereinafter referred to as the "NOx SIP Call",
9 compliance with which will require reducing emissions of
10 nitrogen oxides ("NOx");

11 (2) That reducing emissions of NOx in the State
12 helps the State to meet the national ambient air quality
13 standard for ozone;

14 (3) That emissions trading is a cost-effective
15 means of obtaining reductions of NOx emissions.

16 (b) The Agency shall propose and the Board shall adopt
17 regulations to implement an interstate NOx trading program
18 (hereinafter referred to as the "NOx Trading Program") as
19 provided for in 40 CFR Part 96, including incorporation by
20 reference of appropriate provisions of 40 CFR Part 96 and
21 regulations to address 40 CFR Section 96.4(b), Section
22 96.55(c), Subpart E, and Subpart I. In addition, the Agency
23 shall propose and the Board shall adopt regulations to
24 implement NOx emission reduction programs for cement kilns
25 and stationary internal combustion engines.

26 (c) Allocations of NOx allowances to large electric
27 generating units ("EGUs") and large non-electric generating
28 units ("non-EGUs"), as defined by 40 CFR Part 96.4(a), shall
29 not exceed the State's trading budget for those source
30 categories to be included in the State Implementation Plan
31 for NOx.

32 (d) In adopting regulations to implement the NOx Trading
33 Program, the Board shall:

34 (1) assure that the economic impact and technical

1 feasibility of NOx emissions reductions under the NOx
2 Trading Program are considered relative to the
3 traditional regulatory control requirements in the State
4 for EGUs and non-EGUs;

5 (2) provide that emission units, as defined in
6 Section 39.5(1) of this Act, may opt into the NOx Trading
7 Program;

8 (3) provide for voluntary reductions of NOx
9 emissions from emission units, as defined in Section
10 39.5(1) of this Act, not otherwise included under
11 paragraph (c) or (d)(2) of this Section to provide
12 additional allowances to EGUs and non-EGUs to be
13 allocated by the Agency. The regulations shall further
14 provide that such voluntary reductions are verifiable,
15 quantifiable, permanent, and federally enforceable;

16 (4) provide that the Agency allocate to non-EGUs
17 allowances that are designated in the rule, unless the
18 Agency has been directed to transfer the allocations to
19 another unit subject to the requirements of the NOx
20 Trading Program, and that upon shutdown of a non-EGU, the
21 unit may transfer or sell the NOx allowances that are
22 allocated to such unit; and

23 (5) provide that the Agency shall set aside
24 annually a number of allowances, not to exceed 5% of the
25 total EGU trading budget, to be made available to new
26 EGUs.

27 (A) Those EGUs that commence commercial
28 operation, as defined in 40 CFR Section 96.2, at a
29 time that is more than half way through the control
30 period in 2003 ~~2002~~ shall return to the Agency any
31 allowances that were issued to it by the Agency and
32 were not used for compliance in 2004 ~~2003~~.

33 (B) The Agency may charge EGUs that commence
34 commercial operation, as defined in 40 CFR Section

1 96.2, on or after January 1, 2003, for the
2 allowances it issues to them.

3 (e) The Agency may adopt procedural rules, as necessary,
4 to implement the regulations promulgated by the Board
5 pursuant to subsections (b) and (d) and to implement
6 subsection (i) of this Section.

7 (f) Notwithstanding any provisions in subparts T, U, and
8 W of Section 217 of Title 35 of the Illinois Administrative
9 Code to the contrary, compliance with the regulations
10 promulgated by the Board pursuant to subsections (b) and (d)
11 of this Section is required by May 31, 2004. The regulations
12 promulgated by the Board pursuant to subsections (b) and (d)
13 of this Section shall not be enforced until the later of May
14 17, 2003, or the first day of the control season subsequent to
15 the calendar year in which all of the other states subject to
16 the provisions of the NOx SIP Call that are located in USEPA
17 Region V or that are contiguous to Illinois have adopted
18 regulations to implement NOx trading programs and other
19 required reductions of NOx emissions pursuant to the NOx SIP
20 Call, and such regulations have received final approval by
21 USEPA as part of the respective states' SIPs for ozone, or a
22 final FIP for ozone promulgated by USEPA is effective for
23 such other states.

24 (g) To the extent that a court of competent jurisdiction
25 finds a provision of 40 CFR Part 96 invalid, the
26 corresponding Illinois provision shall be stayed until such
27 provision of 40 CFR Part 96 is found to be valid or is
28 re-promulgated. To the extent that USEPA or any court of
29 competent jurisdiction stays the applicability of any
30 provision of the NOx SIP Call to any person or circumstance
31 relating to Illinois, during the period of that stay, the
32 effectiveness of the corresponding Illinois provision shall
33 be stayed. To the extent that the invalidity of the
34 particular requirement or application does not affect other

1 provisions or applications of the NOx SIP Call pursuant to 40
2 CFR 51.121 or the NOx trading program pursuant to 40 CFR Part
3 96 or 40 CFR Part 97, this Section, and rules or regulations
4 promulgated hereunder, will be given effect without the
5 invalid provisions or applications.

6 (h) Notwithstanding any other provision of this Act, any
7 source or other authorized person that participates in the
8 NOx Trading Program shall be eligible to exchange NOx
9 allowances with other sources in accordance with this Section
10 and with regulations promulgated by the Board or the Agency.

11 (i) There is hereby created within the State Treasury an
12 interest-bearing special fund to be known as the NOx Trading
13 System Fund, which shall be used and administered by the
14 Agency for the purposes stated below:

15 (1) To accept funds from persons who purchase NOx
16 allowances from the Agency;

17 (2) To disburse the proceeds of the NOx allowances
18 sales pro-rata to the owners or operators of the EGUs
19 that received allowances from the Agency but not from the
20 Agency's set-aside, in accordance with regulations that
21 may be promulgated by the Agency; and

22 (3) To finance the reasonable costs incurred by the
23 Agency in the administration of the NOx Trading System.

24 (Source: P.A. 91-631, eff. 8-19-99.)

25 (415 ILCS 5/9.10 new)

26 Sec. 9.10. Fossil fuel-fired electric generating plants.

27 (a) The General Assembly finds and declares that:

28 (1) fossil fuel-fired electric generating plants
29 are a significant source of air emissions in this State
30 and have become the subject of a number of important new
31 studies of their effects on the public health;

32 (2) existing state and federal policies, that allow
33 older plants that meet federal standards to operate

1 without meeting the more stringent requirements
2 applicable to new plants, are being questioned on the
3 basis of their environmental impacts and the economic
4 distortions such policies cause in a deregulated energy
5 market;

6 (3) fossil fuel-fired electric generating plants
7 are, or may be, affected by a number of regulatory
8 programs, some of which are under review or development
9 on the state and national levels, and to a certain extent
10 the international level, including the federal acid rain
11 program, tropospheric ozone, mercury and other hazardous
12 pollutant control requirements, regional haze, and global
13 warming;

14 (4) scientific uncertainty regarding the formation
15 of certain components of regional haze and the air
16 quality modeling that predict impacts of control measures
17 requires careful consideration of the timing of the
18 control of some of the pollutants from these facilities,
19 particularly sulfur dioxides and nitrogen oxides that
20 each interact with ammonia and other substances in the
21 atmosphere;

22 (5) the development of energy policies to promote a
23 safe, sufficient, reliable, and affordable energy supply
24 on the state and national levels is being affected by the
25 on-going deregulation of the power generation industry
26 and the evolving energy markets;

27 (6) the Governor's formation of an Energy Cabinet
28 and the development of a State energy policy calls for
29 actions by the Agency and the Board that are in harmony
30 with the energy needs and policy of the State, while
31 protecting the public health and the environment;

32 (7) Illinois coal is an abundant resource and an
33 important component of Illinois' economy whose use should
34 be encouraged to the greatest extent possible consistent

1 with protecting the public health and the environment;

2 (8) renewable forms of energy should be promoted as
3 an important element of the energy and environmental
4 policies of the State and that it is a goal of the State
5 that at least 5% of the State's energy production and use
6 be derived from renewable forms of energy by 2010 and at
7 least 15% from renewable forms of energy by 2020;

8 (9) efforts on the state and federal levels are
9 underway to consider the multiple environmental
10 regulations affecting electric generating plants in order
11 to improve the ability of government and the affected
12 industry to engage in effective planning through the use
13 of multi-pollutant strategies; and

14 (10) these issues, taken together, call for a
15 comprehensive review of the impact of these facilities on
16 the public health, considering also the energy supply,
17 reliability, and costs, the role of renewable forms of
18 energy, and the developments in federal law and
19 regulations that may affect any state actions, prior to
20 making final decisions in Illinois.

21 (b) Taking into account the findings and declarations of
22 the General Assembly contained in subsection (a) of this
23 Section, the Agency shall, before September 30, 2004, but not
24 before September 30, 2003, issue to the House and Senate
25 Committees on Environment and Energy findings that address
26 the potential need for the control or reduction of emissions
27 from fossil fuel-fired electric generating plants, including
28 the following provisions:

29 (1) reduction of nitrogen oxide emissions, as
30 appropriate, with consideration of maximum annual
31 emissions rate limits or establishment of an emissions
32 trading program and with consideration of the
33 developments in federal law and regulations that may
34 affect any State action, prior to making final decisions

1 in Illinois;

2 (2) reduction of sulfur dioxide emissions, as
3 appropriate, with consideration of maximum annual
4 emissions rate limits or establishment of an emissions
5 trading program and with consideration of the
6 developments in federal law and regulations that may
7 affect any State action, prior to making final decisions
8 in Illinois;

9 (3) incentives to promote renewable sources of
10 energy consistent with item (8) of subsection (a) of
11 this Section;

12 (4) reduction of mercury as appropriate,
13 consideration of the availability of control technology,
14 industry practice requirements, or incentive programs, or
15 some combination of these approaches that are sufficient
16 to prevent unacceptable local impacts from individual
17 facilities and with consideration of the developments in
18 federal law and regulations that may affect any state
19 action, prior to making final decisions in Illinois; and

20 (5) establishment of a banking system, consistent
21 with the United States Department of Energy's voluntary
22 reporting system, for certifying credits for voluntary
23 offsets of emissions of greenhouse gases, as identified
24 by the United States Environmental Protection Agency, or
25 other voluntary reductions of greenhouse gases. Such
26 reduction efforts may include, but are not limited to,
27 carbon sequestration, technology-based control measures,
28 energy efficiency measures, and the use of renewable
29 energy sources.

30 The Agency shall consider the impact on the public
31 health, considering also energy supply, reliability and
32 costs, the role of renewable forms of energy, and
33 developments in federal law and regulations that may affect
34 any state actions, prior to making final decisions in

1 Illinois.

2 (c) Nothing in this Section is intended to or should be
3 interpreted in a manner to limit or restrict the authority of
4 the Illinois Environmental Protection Agency to propose, or
5 the Illinois Pollution Control Board to adopt, any
6 regulations applicable or that may become applicable to the
7 facilities covered by this Section that are required by
8 federal law.

9 (d) The Agency may file proposed rules with the Board to
10 effectuate its findings provided to the Senate Committee on
11 Environment and Energy and the House Committee on Environment
12 and Energy in accordance with subsection (b) of this Section.
13 Any such proposal shall not be submitted sooner than 90 days
14 after the issuance of the findings provided for in subsection
15 (b) of this Section. The Board shall take action on any such
16 proposal within one year of the Agency's filing of the
17 proposed rules.

18 (e) This Section shall apply only to those electrical
19 generating units that are subject to the provisions of
20 Subpart W of Part 217 of Title 35 of the Illinois
21 Administrative Code, as promulgated by the Illinois Pollution
22 Control Board on December 21, 2000.

23 Section 955. The Illinois Development Finance Authority
24 Act is amended by adding Section 7.90 as follows:

25 (20 ILCS 3505/7.90 new)

26 Sec. 7.90. Clean Coal and Energy Project Financing.

27 (a) Findings and declaration of policy. It is hereby
28 found and declared that Illinois has abundant coal resources
29 and, in some areas of Illinois, the demand for power exceeds
30 the generating capacity. Incentives to encourage the
31 construction of coal-fired electric generating plants in
32 Illinois to ensure power-generating capacity into the future

1 are in the best interests of all of the citizens of Illinois.
2 The Authority is authorized to issue bonds to help finance
3 Clean Coal and Energy projects pursuant to this Section and
4 under this Act.

5 (b) Definition. "Clean Coal and Energy projects" means
6 new electric generating facilities, as defined in Section
7 605-332 of the Department of Commerce and Community Affairs
8 Law of the Civil Administrative Code of Illinois, which may
9 include mine-mouth power plants, projects that employ the use
10 of clean coal technology, projects to develop alternative
11 energy sources, including renewable energy projects, projects
12 to provide scrubber technology for existing energy generating
13 plants, or projects to provide electric transmission
14 facilities.

15 (c) Creation of reserve funds. The Authority may
16 establish and maintain one or more reserve funds to enhance
17 bonds issued by the Authority for Clean Coal and Energy
18 projects under this Section. There may be one or more
19 accounts in these reserve funds in which there may be
20 deposited:

21 (1) any proceeds of bonds issued by the Authority
22 required to be deposited therein by the terms of any
23 contract between the Authority and its bondholders or any
24 resolution of the Authority;

25 (2) any other moneys or funds of the Authority that
26 it may determine to deposit therein from any other
27 source; and

28 (3) any other moneys or funds made available to the
29 Authority.

30 Subject to the terms of any pledge to the owners of any
31 bonds, moneys in any reserve fund may be held and applied to
32 the payment of the interest, premium, if any, or principal of
33 bonds or for any other purpose authorized by the Authority.

34 (d) Powers and duties. The Authority has the power:

1 (1) To issue bonds in one or more series pursuant
2 to one or more resolutions of the Authority for any Clean
3 Coal and Energy projects authorized under this Section,
4 within the authorization set forth in subsection (e).

5 (2) To provide for the funding of any reserves or
6 other funds or accounts deemed necessary by the Authority
7 in connection with any bonds issued by the Authority.

8 (3) To pledge any funds of the Authority or funds
9 made available to the Authority that may be applied to
10 such purpose as security for any bonds or any guarantees,
11 letters of credit, insurance contracts, or similar credit
12 support or liquidity instruments securing the bonds.

13 (4) To enter into agreements or contracts with
14 third parties, whether public or private, including,
15 without limitation, the United States of America, the
16 State, or any department or agency thereof, to obtain any
17 appropriations, grants, loans, or guarantees that are
18 deemed necessary or desirable by the Authority. Any such
19 guarantee, agreement, or contract may contain terms and
20 provisions necessary or desirable in connection with the
21 program, subject to the requirements established by the
22 Act.

23 (5) To exercise such other powers as are necessary
24 or incidental to the foregoing.

25 (e) Clean Coal Energy bond authorization and financing
26 limits. In addition to any other bonds authorized to be
27 issued under this Act, the Authority may have outstanding, at
28 any time, bonds for the purpose enumerated in this Section in
29 an aggregate principal amount that shall not exceed
30 \$3,000,000,000, of which no more than \$300,000,000 may be
31 issued to finance transmission facilities, no more than
32 \$500,000,000 may be issued to finance scrubbers at existing
33 generating plants, no more than \$500,000,000 may be issued to
34 finance alternative energy sources, including renewable

1 energy projects, and no more than \$1,700,000,000 may be
2 issued to finance new electric generating facilities, as
3 defined in Section 605-332 of the Department of Commerce and
4 Community Affairs Law of the Civil Administrative Code of
5 Illinois, which may include mine-mouth power plants. An
6 application for a loan financed from bond proceeds from a
7 borrower or its affiliates for a Clean Coal and Energy
8 project may not be approved by the Authority for an amount in
9 excess of \$450,000,000 for any borrower or its affiliates.
10 These bonds shall not constitute an indebtedness or
11 obligation of the State of Illinois and it shall be plainly
12 stated on the face of each bond that it does not constitute
13 an indebtedness or obligation of the State of Illinois but is
14 payable solely from the revenues, income, or other assets of
15 the Authority pledged therefor.

16 (f) Criteria for participation in the program.
17 Applications to the Authority for financing of any Clean Coal
18 and Energy project shall be reviewed by the Authority. Upon
19 submission of any such application, the Authority staff shall
20 review the application for its completeness and may, at the
21 discretion of the Authority staff, request such additional
22 information as it deems necessary or advisable to aid in
23 review. If the Authority receives applications for financing
24 for Clean Coal and Energy projects in excess of the bond
25 authorization available for such financing at any one time,
26 it shall consider applications in the order of priority as it
27 shall determine, in consultation with other State agencies.

28 Section 999. Effective date. This Act takes effect on
29 July 1, 2001.