

1 AN ACT with respect to taxation.

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

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

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

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

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

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

3 A portion of the money paid into the Local Government Tax  
4 Fund from the 6.25% general rate (and, beginning July 1, 2000  
5 and through December 31, 2000, the 1.25% rate on motor fuel  
6 and gasohol, and, beginning January 1, 2002 and through  
7 December 31, 2006, the 1.25% rate on gasohol) on sales  
8 subject to taxation under the Retailers' Occupation Tax Act  
9 and the Service Occupation Tax Act, which occurred in  
10 municipalities, shall be distributed to each municipality,  
11 based upon the sales which occurred in that municipality. The  
12 remainder shall be distributed to each county, based upon the  
13 sales which occurred in the unincorporated area of such  
14 county.

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

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

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

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

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

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

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

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

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

12           Sec. 6z-20. Of the money received from the 6.25% general  
13 rate (and, beginning July 1, 2000 and through December 31,  
14 2000, the 1.25% rate on motor fuel and gasohol, and,  
15 beginning January 1, 2002 and through December 31, 2006, the  
16 1.25% rate on gasohol) on sales subject to taxation under the  
17 Retailers' Occupation Tax Act and Service Occupation Tax Act  
18 and paid into the County and Mass Transit District Fund,  
19 distribution to the Regional Transportation Authority tax  
20 fund, created pursuant to Section 4.03 of the Regional  
21 Transportation Authority Act, for deposit therein shall be  
22 made based upon the retail sales occurring in a county having  
23 more than 3,000,000 inhabitants. The remainder shall be  
24 distributed to each county having 3,000,000 or fewer  
25 inhabitants based upon the retail sales occurring in each  
26 such county.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 Beginning on January 1, 2002 and through December 31,  
12 2006, with respect to gasohol, as defined in Section 3-40,  
13 the tax is imposed at the rate of 1.25%.

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

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



1 water, infant formula, milk or milk products as defined in  
2 the Grade A Pasteurized Milk and Milk Products Act, or drinks  
3 containing 50% or more natural fruit or vegetable juice.

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

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

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

19 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

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

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

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

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

- 32 1. The name of the seller;
- 33 2. The address of the principal place of business
- 34 from which he engages in the business of selling tangible

1 personal property at retail in this State;

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

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

9 5. The amount of tax due;

10 5-5. The signature of the taxpayer; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

31 Such transaction reporting return shall be filed not  
32 later than 20 days after the date of delivery of the item  
33 that is being sold, but may be filed by the retailer at any  
34 time sooner than that if he chooses to do so. The

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

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

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

30 If the user who would otherwise pay tax to the retailer  
31 wants the transaction reporting return filed and the payment  
32 of tax or proof of exemption made to the Department before  
33 the retailer is willing to take these actions and such user  
34 has not paid the tax to the retailer, such user may certify

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

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

31 Any retailer filing a return under this Section shall  
32 also include (for the purpose of paying tax thereon) the  
33 total tax covered by such return upon the selling price of  
34 tangible personal property purchased by him at retail from a

1 retailer, but as to which the tax imposed by this Act was not  
2 collected from the retailer filing such return, and such  
3 retailer shall remit the amount of such tax to the Department  
4 when filing such return.

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

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

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

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

1           Beginning January 1, 1990, each month the Department  
2 shall pay into the State and Local Sales Tax Reform Fund, a  
3 special fund in the State Treasury, 20% of the net revenue  
4 realized for the preceding month from the 6.25% general rate  
5 on the selling price of tangible personal property, other  
6 than tangible personal property which is purchased outside  
7 Illinois at retail from a retailer and which is titled or  
8 registered by an agency of this State's 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           Beginning February 1, 2002, each month the Department  
14 shall pay into the State and Local Sales Tax Reform Fund 100%  
15 of the net revenue realized for the preceding month form the  
16 1.25% rate on the selling price of gasohol.

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

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

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

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

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



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

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

30 Beginning July 20, 1993 and in each month of each fiscal  
31 year thereafter, one-eighth of the amount requested in the  
32 certificate of the Chairman of the Metropolitan Pier and  
33 Exposition Authority for that fiscal year, less the amount  
34 deposited into the McCormick Place Expansion Project Fund by

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

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

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

33 Of the remainder of the moneys received by the Department  
34 pursuant to this Act, 75% thereof shall be paid into the

1 State Treasury and 25% shall be reserved in a special account  
2 and used only for the transfer to the Common School Fund as  
3 part of the monthly transfer from the General Revenue Fund in  
4 accordance with Section 8a of the State Finance Act.

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

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

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

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

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

30 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

31 Sec. 3-10. Rate of tax. Unless otherwise provided in  
32 this Section, the tax imposed by this Act is at the rate of

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

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

10 Beginning on January 1, 2002 and through December 31,  
11 2006, with respect to gasohol, as defined in Section 3-40 of  
12 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

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

28 The tax shall be imposed at the rate of 1% on food  
29 prepared for immediate consumption and transferred incident  
30 to a sale of service subject to this Act or the Service  
31 Occupation Tax Act by an entity licensed under the Hospital  
32 Licensing Act, the Nursing Home Care Act, or the Child Care  
33 Act of 1969. The tax shall also be imposed at the rate of 1%  
34 on food for human consumption that is to be consumed off the

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

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

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

33 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
34 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.

1 7-1-00.)

2 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

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

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

- 33 1. The name of the seller;

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

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

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

10          5. The amount of tax due;

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

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

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

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

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

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

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

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

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

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

33 If the serviceman is otherwise required to file a monthly  
34 or quarterly return and if the serviceman's average monthly



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

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

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

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

32 Any serviceman filing a return hereunder shall also  
33 include the total tax upon the selling price of tangible  
34 personal property purchased for use by him as an incident to

1 a sale of service, and such serviceman shall remit the amount  
2 of such tax to the Department when filing such return.

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

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

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

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

33 Beginning August 1, 2000, each month the Department shall  
34 pay into the State and Local Sales Tax Reform Fund 100% of

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

3 Beginning February 1, 2002, each month the Department  
4 shall pay into the State and Local Sales Tax Reform Fund 100%  
5 of the net revenue realized for the preceding month form the  
6 1.25% rate on the selling price of gasohol.

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

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

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

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

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

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

6 each fiscal year  
7 thereafter that bonds  
8 are outstanding under  
9 Section 13.2 of the  
10 Metropolitan Pier and  
11 Exposition Authority Act,  
12 but not after fiscal year 2029.

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

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

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

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

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

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 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,  
33 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;  
34 91-872, eff. 7-1-00.)

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

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

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

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

26 Beginning on January 1, 2002 and through December 31,  
27 2006, with respect to gasohol, as defined in Section 3-40 of  
28 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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



1           At the election of any registered serviceman made for  
2 each fiscal year, sales of service in which the aggregate  
3 annual cost price of tangible personal property transferred  
4 as an incident to the sales of service is less than 35%, or  
5 75% in the case of servicemen transferring prescription drugs  
6 or servicemen engaged in graphic arts production, of the  
7 aggregate annual total gross receipts from all sales of  
8 service, the tax imposed by this Act shall be based on the  
9 serviceman's cost price of the tangible personal property  
10 transferred incident to the sale of those services.

11           The tax shall be imposed at the rate of 1% on food  
12 prepared for immediate consumption and transferred incident  
13 to a sale of service subject to this Act or the Service  
14 Occupation Tax Act by an entity licensed under the Hospital  
15 Licensing Act, the Nursing Home Care Act, or the Child Care  
16 Act of 1969. The tax shall also be imposed at the rate of 1%  
17 on food for human consumption that is to be consumed off the  
18 premises where it is sold (other than alcoholic beverages,  
19 soft drinks, and food that has been prepared for immediate  
20 consumption and is not otherwise included in this paragraph)  
21 and prescription and nonprescription medicines, drugs,  
22 medical appliances, modifications to a motor vehicle for the  
23 purpose of rendering it usable by a disabled person, and  
24 insulin, urine testing materials, syringes, and needles used  
25 by diabetics, for human use. For the purposes of this  
26 Section, the term "soft drinks" means any complete, finished,  
27 ready-to-use, non-alcoholic drink, whether carbonated or not,  
28 including but not limited to soda water, cola, fruit juice,  
29 vegetable juice, carbonated water, and all other preparations  
30 commonly known as soft drinks of whatever kind or description  
31 that are contained in any closed or sealed can, carton, or  
32 container, regardless of size. "Soft drinks" does not  
33 include coffee, tea, non-carbonated water, infant formula,  
34 milk or milk products as defined in the Grade A Pasteurized

1 Milk and Milk Products Act, or drinks containing 50% or more  
2 natural fruit or vegetable juice.

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

9 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
10 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

11 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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 at the time when he is required to  
15 file his return for the period during which such tax was  
16 collectible, less a discount of 2.1% prior to January 1,  
17 1990, and 1.75% on and after January 1, 1990, or \$5 per  
18 calendar year, whichever is greater, which is allowed to  
19 reimburse the serviceman for expenses incurred in collecting  
20 the tax, keeping records, preparing and filing returns,  
21 remitting the tax and supplying data to the Department on  
22 request.

23 Where such tangible personal property is sold under a  
24 conditional sales contract, or under any other form of sale  
25 wherein the payment of the principal sum, or a part thereof,  
26 is extended beyond the close of the period for which the  
27 return is filed, the serviceman, in collecting the tax may  
28 collect, for each tax return period, only the tax applicable  
29 to the part of the selling price actually received during  
30 such tax return period.

31 Except as provided hereinafter in this Section, on or  
32 before the twentieth day of each calendar month, such  
33 serviceman shall file a return for the preceding calendar

1 month in accordance with reasonable rules and regulations to  
2 be promulgated by the Department of Revenue. Such return  
3 shall be filed on a form prescribed by the Department and  
4 shall contain such information as the Department may  
5 reasonably require.

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

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

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

32 A serviceman may accept a Manufacturer's Purchase Credit  
33 certification from a purchaser in satisfaction of Service Use  
34 Tax as provided in Section 3-70 of the Service Use Tax Act if

1 the purchaser provides the appropriate documentation as  
2 required by Section 3-70 of the Service Use Tax Act. A  
3 Manufacturer's Purchase Credit certification, accepted by a  
4 serviceman as provided in Section 3-70 of the Service Use Tax  
5 Act, may be used by that serviceman to satisfy Service  
6 Occupation Tax liability in the amount claimed in the  
7 certification, not to exceed 6.25% of the receipts subject to  
8 tax from a qualifying purchase.

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

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

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

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

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

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

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

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

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

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

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

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

29          Where the serviceman has more than one business  
30          registered with the Department under separate registrations  
31          hereunder, such serviceman shall file separate returns for  
32          each registered business.

33          Beginning January 1, 1990, each month the Department  
34          shall pay into the Local Government Tax Fund the revenue

1 realized for the preceding month from the 1% tax on sales of  
2 food for human consumption which is to be consumed off the  
3 premises where it is sold (other than alcoholic beverages,  
4 soft drinks and food which has been prepared for immediate  
5 consumption) and prescription and nonprescription medicines,  
6 drugs, medical appliances and insulin, urine testing  
7 materials, syringes and needles used by diabetics.

8 Beginning January 1, 1990, each month the Department  
9 shall pay into the County and Mass Transit District Fund 4%  
10 of the revenue realized for the preceding month from the  
11 6.25% general rate.

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

16 Beginning February 1, 2002, each month the Department  
17 shall pay into the County and Mass Transit District Fund 20%  
18 of the net revenue realized for the preceding month form the  
19 1.25% rate on the selling price of gasohol.

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

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

28 Beginning February 1, 2002, each month the Department  
29 shall pay into the Local Government Tax Fund 80% of the net  
30 revenue realized for the preceding month form the 1.25% rate  
31 on the selling price of gasohol.

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

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



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

30 Subject to payment of amounts into the Build Illinois  
31 Fund as provided in the preceding paragraph or in any  
32 amendment thereto hereafter enacted, the following specified  
33 monthly installment of the amount requested in the  
34 certificate of the Chairman of the Metropolitan Pier and

1 Exposition Authority provided under Section 8.25f of the  
 2 State Finance Act, but not in excess of the sums designated  
 3 as "Total Deposit", shall be deposited in the aggregate from  
 4 collections under Section 9 of the Use Tax Act, Section 9 of  
 5 the Service Use Tax Act, Section 9 of the Service Occupation  
 6 Tax Act, and Section 3 of the Retailers' Occupation Tax Act  
 7 into the McCormick Place Expansion Project Fund in the  
 8 specified fiscal years.

	Fiscal Year	Total Deposit
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	84,000,000
20	2003	89,000,000
21	2004	93,000,000
22	2005	97,000,000
23	2006	102,000,000
24	2007	108,000,000
25	2008	115,000,000
26	2009	120,000,000
27	2010	126,000,000
28	2011	132,000,000
29	2012	138,000,000
30	2013 and	145,000,000

31 each fiscal year  
 32 thereafter that bonds  
 33 are outstanding under  
 34 Section 13.2 of the

1 Metropolitan Pier and  
2 Exposition Authority  
3 Act, but not after fiscal year 2029.

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

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

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

1 Local Government Distributive Fund pursuant to the preceding  
2 paragraphs or in any amendments thereto hereafter enacted,  
3 beginning July 1, 1993, the Department shall each month pay  
4 into the Illinois Tax Increment Fund 0.27% of 80% of the net  
5 revenue realized for the preceding month from the 6.25%  
6 general rate on the selling price of tangible personal  
7 property.

8 Remaining moneys received by the Department pursuant to  
9 this Act shall be paid into the General Revenue Fund of the  
10 State Treasury.

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

34 If the annual information return required by this Section

1 is not filed when and as required, the taxpayer shall be  
2 liable as follows:

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

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

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

21 The foregoing portion of this Section concerning the  
22 filing of an annual information return shall not apply to a  
23 serviceman who is not required to file an income tax return  
24 with the United States Government.

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

33 Net revenue realized for a month shall be the revenue  
34 collected by the State pursuant to this Act, less the amount

1 paid out during that month as refunds to taxpayers for  
2 overpayment of liability.

3 For greater simplicity of administration, it shall be  
4 permissible for manufacturers, importers and wholesalers  
5 whose products are sold by numerous servicemen in Illinois,  
6 and who wish to do so, to assume the responsibility for  
7 accounting and paying to the Department all tax accruing  
8 under this Act with respect to such sales, if the servicemen  
9 who are affected do not make written objection to the  
10 Department to this arrangement.

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

14 Section 25. The Retailers' Occupation Tax Act is amended  
15 by changing Sections 2-10, 2d, and 3 as follows:

16 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

17 Sec. 2-10. Rate of tax. Unless otherwise provided in  
18 this Section, the tax imposed by this Act is at the rate of  
19 6.25% of gross receipts from sales of tangible personal  
20 property made in the course of business.

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

25 Within 14 days after the effective date of this  
26 amendatory Act of the 91st General Assembly, each retailer of  
27 motor fuel and gasohol shall cause the following notice to be  
28 posted in a prominently visible place on each retail  
29 dispensing device that is used to dispense motor fuel or  
30 gasohol in the State of Illinois: "As of July 1, 2000, the  
31 State of Illinois has eliminated the State's share of sales  
32 tax on motor fuel and gasohol through December 31, 2000. The

1 price on this pump should reflect the elimination of the  
2 tax." The notice shall be printed in bold print on a sign  
3 that is no smaller than 4 inches by 8 inches. The sign shall  
4 be clearly visible to customers. Any retailer who fails to  
5 post or maintain a required sign through December 31, 2000 is  
6 guilty of a petty offense for which the fine shall be \$500  
7 per day per each retail premises where a violation occurs.

8 Beginning on January 1, 2002 and through December 31,  
9 2006, with respect to gasohol, as defined in Section 3-40 of  
10 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

15 With respect to food for human consumption that is to be  
16 consumed off the premises where it is sold (other than  
17 alcoholic beverages, soft drinks, and food that has been  
18 prepared for immediate consumption) and prescription and  
19 nonprescription medicines, drugs, medical appliances,  
20 modifications to a motor vehicle for the purpose of rendering  
21 it usable by a disabled person, and insulin, urine testing  
22 materials, syringes, and needles used by diabetics, for human  
23 use, the tax is imposed at the rate of 1%. For the purposes  
24 of this Section, the term "soft drinks" means any complete,  
25 finished, ready-to-use, non-alcoholic drink, whether  
26 carbonated or not, including but not limited to soda water,  
27 cola, fruit juice, vegetable juice, carbonated water, and all  
28 other preparations commonly known as soft drinks of whatever  
29 kind or description that are contained in any closed or  
30 sealed bottle, can, carton, or container, regardless of size.  
31 "Soft drinks" does not include coffee, tea, non-carbonated  
32 water, infant formula, milk or milk products as defined in  
33 the Grade A Pasteurized Milk and Milk Products Act, or drinks  
34 containing 50% or more natural fruit or vegetable juice.

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

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

9           (35 ILCS 120/2d) (from Ch. 120, par. 441d)

10          Sec. 2d. Tax prepayment by motor fuel retailer. Any  
11          person engaged in the business of selling motor fuel at  
12          retail, as defined in the Motor Fuel Tax Law, and who is not  
13          a licensed distributor or supplier, as defined in the Motor  
14          Fuel Tax Law, shall prepay to his or her distributor,  
15          supplier, or other reseller of motor fuel a portion of the  
16          tax imposed by this Act if the distributor, supplier, or  
17          other reseller of motor fuel is registered under Section 2a  
18          or Section 2c of this Act. The prepayment requirement  
19          provided for in this Section does not apply to liquid propane  
20          gas.

21          Beginning on July 1, 2000 and through December 31, 2000,  
22          the Retailers' Occupation Tax paid to the distributor,  
23          supplier, or other reseller shall be an amount equal to \$0.01  
24          per gallon of the motor fuel, except gasohol as defined in  
25          Section 2-10 of this Act which shall be an amount equal to  
26          \$0.01 per gallon, purchased from the distributor, supplier,  
27          or other reseller.

28          Before July 1, 2000 and then beginning on January 1, 2001  
29          and thereafter, the Retailers' Occupation Tax paid to the  
30          distributor, supplier, or other reseller shall be an amount  
31          equal to \$0.04 per gallon of the motor fuel purchased from  
32          the distributor, supplier, or other reseller.

33          Before July 1, 2000 and then beginning on January 1, 2001



1 and through December 31, 2001, for--except gasohol, as  
2 defined in Section 2-10 of this Act, the Retailers'  
3 Occupation Tax paid to the distributor, supplier, or other  
4 reseller which shall be an amount equal to \$0.03 per gallon,  
5 purchased from the distributor, supplier, or other reseller.

6 Beginning on January 1, 2002 and through December 31,  
7 2006, for gasohol, as defined in Section 2-10 of this Act,  
8 the Retailers' Occupation Tax paid to the distributor,  
9 supplier, or other reseller shall be an amount equal to  
10 \$0.006 per gallon purchased from the distributor, supplier,  
11 or reseller.

12 Beginning on January 1, 2007 and thereafter, for gasohol,  
13 as defined in Section 2-10 of this Act, the Retailers'  
14 Occupation Tax paid to the distributor, supplier, or other  
15 reseller shall be an amount equal to \$0.03 per gallon  
16 purchased from the distributor, supplier, or reseller.

17 Any person engaged in the business of selling motor fuel  
18 at retail shall be entitled to a credit against tax due under  
19 this Act in an amount equal to the tax paid to the  
20 distributor, supplier, or other reseller.

21 Every distributor, supplier, or other reseller registered  
22 as provided in Section 2a or Section 2c of this Act shall  
23 remit the prepaid tax on all motor fuel that is due from any  
24 person engaged in the business of selling at retail motor  
25 fuel with the returns filed under Section 2f or Section 3 of  
26 this Act, but the vendors discount provided in Section 3  
27 shall not apply to the amount of prepaid tax that is  
28 remitted. Any distributor or supplier who fails to properly  
29 collect and remit the tax shall be liable for the tax. For  
30 purposes of this Section, the prepaid tax is due on invoiced  
31 gallons sold during a month by the 20th day of the following  
32 month.

33 (Source: P.A. 91-872, eff. 7-1-00.)

1 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

7 1. The name of the seller;

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

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

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

23 5. Deductions allowed by law;

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

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

29 8. The amount of tax due;

30 9. The signature of the taxpayer; and

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

33 If a taxpayer fails to sign a return within 30 days after  
34 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to  
2 be due on the return shall be deemed assessed.

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

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

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

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

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

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

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

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

1 October 1.

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

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

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

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

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

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

1 20 of the following year.

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

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

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

18 In addition, with respect to motor vehicles, watercraft,  
19 aircraft, and trailers that are required to be registered  
20 with an agency of this State, every retailer selling this  
21 kind of tangible personal property shall file, with the  
22 Department, upon a form to be prescribed and supplied by the  
23 Department, a separate return for each such item of tangible  
24 personal property which the retailer sells, except that if,  
25 in the same transaction, (i) a retailer of aircraft,  
26 watercraft, motor vehicles or trailers transfers more than  
27 one aircraft, watercraft, motor vehicle or trailer to another  
28 aircraft, watercraft, motor vehicle retailer or trailer  
29 retailer for the purpose of resale or (ii) a retailer of  
30 aircraft, watercraft, motor vehicles, or trailers transfers  
31 more than one aircraft, watercraft, motor vehicle, or trailer  
32 to a purchaser for use as a qualifying rolling stock as  
33 provided in Section 2-5 of this Act, then that seller may  
34 report the transfer of all aircraft, watercraft, motor

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

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

16 The transaction reporting return, in the case of motor  
17 vehicles or trailers that are required to be registered with  
18 an agency of this State, shall be the same document as the  
19 Uniform Invoice referred to in Section 5-402 of The Illinois  
20 Vehicle Code and 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 1 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; such other information as is required in

1 Section 5-402 of The Illinois Vehicle Code, and such other  
2 information as the Department may reasonably require.

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

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

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



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

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

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

1 to the Department, he shall pay the tax in the same amount  
2 and in the same form in which it would be remitted if the tax  
3 had been remitted to the Department by the retailer.

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

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

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

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

1 remittance instead of when such retailer files his periodic  
2 return.

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

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

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

1 this Section. The Department shall make reasonable rules and  
2 regulations to govern the quarter monthly payment amount and  
3 quarter monthly payment dates for taxpayers who file on other  
4 than a calendar monthly basis.

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

1 is \$25,000 or less. If any such quarter monthly payment is  
2 not paid at the time or in the amount required, the taxpayer  
3 shall be liable for penalties and interest on such  
4 difference, except insofar as the taxpayer has previously  
5 made payments for that month in excess of the minimum  
6 payments previously due.

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

30 If a retailer of motor fuel is entitled to a credit under  
31 Section 2d of this Act which exceeds the taxpayer's liability  
32 to the Department under this Act for the month which the  
33 taxpayer is filing a return, the Department shall issue the  
34 taxpayer a credit memorandum for the excess.

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

11           Beginning January 1, 1990, each month the Department  
12 shall pay into the County and Mass Transit District Fund, a  
13 special fund in the State treasury which is hereby created,  
14 4% of the net revenue realized for the preceding month from  
15 the 6.25% general rate.

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

20           Beginning February 1, 2002, each month the Department  
21 shall pay into the County and Mass Transit District Fund 20%  
22 of the net revenue realized for the preceding month form the  
23 1.25% rate on the selling price of gasohol.

24           Beginning January 1, 1990, each month the Department  
25 shall pay into the Local Government Tax Fund 16% of the net  
26 revenue realized for the preceding month from the 6.25%  
27 general rate on the selling price of tangible personal  
28 property.

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

33           Beginning February 1, 2002, each month the Department  
34 shall pay into the Local Government Tax Fund 80% of the net



1 revenue realized for the preceding month form the 1.25% rate  
2 on the selling price of 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 this Act, Section 9 of the Use Tax Act, Section 9 of the  
12 Service Use Tax Act, and Section 9 of the Service Occupation  
13 Tax Act, such Acts being hereinafter called the "Tax Acts"  
14 and such aggregate of 2.2% or 3.8%, as the case may be, of  
15 moneys being hereinafter called the "Tax Act Amount", and (2)  
16 the amount transferred to the Build Illinois Fund from the  
17 State and Local Sales Tax Reform Fund shall be less than the  
18 Annual Specified Amount (as hereinafter defined), an amount  
19 equal to the difference shall be immediately paid into the  
20 Build Illinois Fund from other moneys received by the  
21 Department pursuant to the Tax Acts; the "Annual Specified  
22 Amount" means the amounts specified below for fiscal years  
23 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;

33 and means the Certified Annual Debt Service Requirement (as  
34 defined in Section 13 of the Build Illinois Bond Act) or the

1 Tax Act Amount, whichever is greater, for fiscal year 1994  
2 and each fiscal year thereafter; and further provided, that  
3 if on the last business day of any month the sum of (1) the  
4 Tax Act Amount required to be deposited into the Build  
5 Illinois Bond Account in the Build Illinois Fund during such  
6 month and (2) the amount transferred to the Build Illinois  
7 Fund from the State and Local Sales Tax Reform Fund shall  
8 have been less than 1/12 of the Annual Specified Amount, an  
9 amount equal to the difference shall be immediately paid into  
10 the Build Illinois Fund from other moneys received by the  
11 Department pursuant to the Tax Acts; and, further provided,  
12 that in no event shall the payments required under the  
13 preceding proviso result in aggregate payments into the Build  
14 Illinois Fund pursuant to this clause (b) for any fiscal year  
15 in excess of the greater of (i) the Tax Act Amount or (ii)  
16 the Annual Specified Amount for such fiscal year. The  
17 amounts payable into the Build Illinois Fund under clause (b)  
18 of the first sentence in this paragraph shall be payable only  
19 until such time as the aggregate amount on deposit under each  
20 trust indenture securing Bonds issued and outstanding  
21 pursuant to the Build Illinois Bond Act is sufficient, taking  
22 into account any future investment income, to fully provide,  
23 in accordance with such indenture, for the defeasance of or  
24 the payment of the principal of, premium, if any, and  
25 interest on the Bonds secured by such indenture and on any  
26 Bonds expected to be issued thereafter and all fees and costs  
27 payable with respect thereto, all as certified by the  
28 Director of the Bureau of the Budget. If on the last  
29 business day of any month in which Bonds are outstanding  
30 pursuant to the Build Illinois Bond Act, the aggregate of  
31 moneys deposited in the Build Illinois Bond Account in the  
32 Build Illinois Fund in such month shall be less than the  
33 amount required to be transferred in such month from the  
34 Build Illinois Bond Account to the Build Illinois Bond

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

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

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

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	84,000,000
5	2003	89,000,000
6	2004	93,000,000
7	2005	97,000,000
8	2006	102,000,000
9	2007	108,000,000
10	2008	115,000,000
11	2009	120,000,000
12	2010	126,000,000
13	2011	132,000,000
14	2012	138,000,000
15	2013 and	145,000,000

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

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

1 Deposit", has been deposited.

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

18 Subject to payment of amounts into the Build Illinois  
19 Fund, the McCormick Place Expansion Project Fund, and the  
20 Local Government Distributive Fund pursuant to the preceding  
21 paragraphs or in any amendments thereto hereafter enacted,  
22 beginning July 1, 1993, the Department shall each month pay  
23 into the Illinois Tax Increment Fund 0.27% of 80% 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 Of the remainder of the moneys received by the Department  
28 pursuant to this Act, 75% thereof shall be paid into the  
29 State Treasury and 25% shall be reserved in a special account  
30 and used only for the transfer to the Common School Fund as  
31 part of the monthly transfer from the General Revenue Fund in  
32 accordance with Section 8a of the State Finance Act.

33 The Department may, upon separate written notice to a  
34 taxpayer, require the taxpayer to prepare and file with the

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

22 If the annual information return required by this Section  
23 is not filed when and as required, the taxpayer shall be  
24 liable as follows:

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

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

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

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

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

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

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

32           Any person who promotes, organizes, provides retail  
33 selling space for concessionaires or other types of sellers  
34 at the Illinois State Fair, DuQuoin State Fair, county fairs,

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

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



1 otherwise required in this Section.

2 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;  
3 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.  
4 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,  
5 eff. 1-1-01; revised 1-15-01.)

6 Section 30. The Motor Fuel Tax Law is amended by  
7 changing Section 13a as follows:

8 (35 ILCS 505/13a) (from Ch. 120, par. 429a)

9 Sec. 13a. Commercial vehicle motor fuel use tax.

10 (1) A tax is hereby imposed upon the use of motor fuel  
11 upon highways of this State by commercial motor vehicles. The  
12 tax shall be comprised of 2 parts. Part (a) shall be at the  
13 rate established by Section 2 of this Act, as heretofore or  
14 hereafter amended. Part (b) shall be at the rate established  
15 by subsection (2) of this Section as now or hereafter  
16 amended.

17 (2) A rate shall be established by the Department as of  
18 January 1 of each year using the average "selling price", as  
19 defined in the Retailers' Occupation Tax Act, per gallon of  
20 motor fuel sold in this State during the previous 12 months  
21 and multiplying it by 6 1/4% to determine the cents per  
22 gallon rate. For the period beginning on July 1, 2000 and  
23 through December 31, 2000, the Department shall establish a  
24 rate using the average "selling price", as defined in the  
25 Retailers' Occupation Tax Act, per gallon of motor fuel sold  
26 in this State during calendar year 1999 and multiplying it by  
27 1.25% to determine the cents per gallon rate.

28 Notwithstanding the preceding paragraph, the Department  
29 shall establish a separate rate for each of the calendar  
30 years 2002 through 2006 for gasohol, as defined in Section  
31 3-40 of the Use Tax Act. The rate for gasohol shall be  
32 established by the Department as of January 1 of each of

1 these years using the average "selling price", as defined in  
2 the Retailers' Occupation Tax Act, per gallon of gasohol sold  
3 in this State during the previous 12 months and multiplying  
4 it by 1.25% to determine the cents per gallon rate.  
5 Beginning again on January 1, 2007, the Department shall  
6 establish the rate for all motor fuel as provided in the  
7 preceding paragraph.

8 (Source: P.A. 91-872, eff. 7-1-00.)

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.