

1 AN ACT in relation to taxation.

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

4 Section 5. The Use Tax Act is amended by changing  
5 Section 10 as follows:

6 (35 ILCS 105/10) (from Ch. 120, par. 439.10)

7 Sec. 10. Except as to motor vehicles, aircraft,  
8 watercraft, and trailers, when tangible personal property is  
9 purchased from a retailer for use in this State by a  
10 purchaser who did not pay the tax imposed by this Act to the  
11 retailer, and who does not file returns with the Department  
12 as a retailer under Section 9 of this Act, such purchaser (by  
13 the last day of the month following the calendar month in  
14 which such purchaser makes any payment upon the selling price  
15 of such property) shall, except as provided in this Section,  
16 file a return with the Department and pay the tax upon that  
17 portion of the selling price so paid by the purchaser during  
18 the preceding calendar month. When tangible personal  
19 property, including but not limited to motor vehicles and  
20 aircraft, is purchased by a lessor, under a lease for one  
21 year or longer, executed or in effect at the time of purchase  
22 to an interstate carrier for hire, who did not pay the tax  
23 imposed by this Act to the retailer, such lessor (by the last  
24 day of the month following the calendar month in which such  
25 property reverts to the use of such lessor) shall file a  
26 return with the Department and pay the tax upon the fair  
27 market value of such property on the date of such reversion.  
28 However, in determining the fair market value at the time of  
29 reversion, the fair market value of such property shall not  
30 exceed the original purchase price of the property that was  
31 paid by the lessor at the time of purchase. Such return shall

1 be filed on a form prescribed by the Department and shall  
2 contain such information as the Department may reasonably  
3 require. Such return and payment from the purchaser shall be  
4 submitted to the Department sooner than the last day of the  
5 month after the month in which the purchase is made to the  
6 extent that that may be necessary in order to secure the  
7 title to a motor vehicle or the certificate of registration  
8 for an aircraft. However, except as to motor vehicles and  
9 aircraft, if the purchaser's annual use tax liability does  
10 not exceed \$600, the purchaser may file the return on an  
11 annual basis on or before April 15th of the year following  
12 the year use tax liability was incurred.

13 In addition with respect to motor vehicles, aircraft,  
14 watercraft, and trailers, a purchaser of such tangible  
15 personal property for use in this State, who purchases such  
16 tangible personal property from an out-of-state retailer,  
17 shall file with the Department, upon a form to be prescribed  
18 and supplied by the Department, a return for each such item  
19 of tangible personal property purchased, except that if, in  
20 the same transaction, (i) a purchaser of motor vehicles,  
21 aircraft, watercraft, or trailers who is a retailer of motor  
22 vehicles, aircraft, watercraft, or trailers purchases more  
23 than one motor vehicle, aircraft, watercraft, or trailer for  
24 the purpose of resale or (ii) a purchaser of motor vehicles,  
25 aircraft, watercraft, or trailers purchases more than one  
26 motor vehicle, aircraft, watercraft, or trailer for use as  
27 qualifying rolling stock as provided in Section 3-55 of this  
28 Act, then the purchaser may report the purchase of all motor  
29 vehicles, aircraft, watercraft, or trailers involved in that  
30 transaction to the Department on a single return prescribed  
31 by the Department. Such return in the case of motor vehicles  
32 and aircraft must show the name and address of the seller,  
33 the name, address of purchaser, the amount of the selling  
34 price including the amount allowed by the retailer for traded

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

14 Such return shall be filed not later than 30 days after  
15 such motor vehicle or aircraft is brought into this State for  
16 use.

17 For purposes of this Section, "watercraft" means a Class  
18 2, Class 3, or Class 4 watercraft as defined in Section 3-2  
19 of the Boat Registration and Safety Act, a personal  
20 watercraft, or any boat equipped with an inboard motor.

21 The return and tax remittance or proof of exemption from  
22 the tax that is imposed by this Act may be transmitted to the  
23 Department by way of the State agency with which, or State  
24 officer with whom, the tangible personal property must be  
25 titled or registered (if titling or registration is required)  
26 if the Department and such agency or State officer determine  
27 that this procedure will expedite the processing of  
28 applications for title or registration.

29 With each such return, the purchaser shall remit the  
30 proper amount of tax due (or shall submit satisfactory  
31 evidence that the sale is not taxable if that is the case),  
32 to the Department or its agents, whereupon the Department  
33 shall issue, in the purchaser's name, a tax receipt (or a  
34 certificate of exemption if the Department is satisfied that

1 the particular sale is tax exempt) which such purchaser may  
2 submit to the agency with which, or State officer with whom,  
3 he must title or register the tangible personal property that  
4 is involved (if titling or registration is required) in  
5 support of such purchaser's application for an Illinois  
6 certificate or other evidence of title or registration to  
7 such tangible personal property.

8 When a purchaser pays a tax imposed by this Act directly  
9 to the Department, the Department (upon request therefor from  
10 such purchaser) shall issue an appropriate receipt to such  
11 purchaser showing that he has paid such tax to the  
12 Department. Such receipt shall be sufficient to relieve the  
13 purchaser from further liability for the tax to which such  
14 receipt may refer.

15 A user who is liable to pay use tax directly to the  
16 Department only occasionally and not on a frequently  
17 recurring basis, and who is not required to file returns with  
18 the Department as a retailer under Section 9 of this Act, or  
19 under the "Retailers' Occupation Tax Act", or as a registrant  
20 with the Department under the "Service Occupation Tax Act" or  
21 the "Service Use Tax Act", need not register with the  
22 Department. However, if such a user has a frequently  
23 recurring direct use tax liability to pay to the Department,  
24 such user shall be required to register with the Department  
25 on forms prescribed by the Department and to obtain and  
26 display a certificate of registration from the Department.  
27 In that event, all of the provisions of Section 9 of this Act  
28 concerning the filing of regular monthly, quarterly or annual  
29 tax returns and all of the provisions of Section 2a of the  
30 "Retailers' Occupation Tax Act" concerning the requirements  
31 for registrants to post bond or other security with the  
32 Department, as the provisions of such sections now exist or  
33 may hereafter be amended, shall apply to such users to the  
34 same extent as if such provisions were included herein.

1       The Department is authorized to contract with credit card  
2 issuers to collect the tax imposed by this Act on remote  
3 sales. If a credit card issuer enters into such a contract  
4 with the Department, the issuer must state as a separate item  
5 on the monthly bill to customers the tax charged under this  
6 Act. A credit card issuer is entitled to reduce the amount  
7 of the tax collected under this Act that it remits to the  
8 Department by the amount of costs incurred by the company to  
9 collect the tax or 4% of the revenue generated from the sale  
10 on which the tax is collected, whichever is greater. As used  
11 in this paragraph, "remote sales" means internet sales, phone  
12 order sales, and direct-mail sales. As used in this  
13 paragraph, "credit card" means any instrument or device,  
14 whether known as a credit card, credit plate, charge plate,  
15 or any other name, issued with or without a fee by an issuer  
16 for the use of the cardholder in obtaining money, goods,  
17 services, or anything else of value on credit or in  
18 consideration or an undertaking or guaranty by the issuer of  
19 the payment of a check drawn by the cardholder. As used in  
20 this paragraph, "issuer" means the business organization or  
21 financial institution that issues a credit card or debit  
22 card, or its duly authorized agent.

23       (Source: P.A. 91-541, eff. 8-13-99; 91-901, eff. 1-1-01.)

24       Section 10. The Service Use Tax Act is amended by  
25 changing Section 10 as follows:

26       (35 ILCS 110/10) (from Ch. 120, par. 439.40)

27       Sec. 10. Where property is acquired as an incident to the  
28 purchase of a service from a serviceman for use in this State  
29 by a purchaser who did not pay the tax herein imposed to the  
30 serviceman, and who does not file returns with the Department  
31 as a serviceman under Section 9 of this Act, such purchaser  
32 (by the last day of the month following the calendar month in

1 which such purchaser makes any payment upon the selling price  
2 of such property) shall, except as hereinafter provided in  
3 this Section, file a return with the Department and pay the  
4 tax upon that portion of the selling price so paid by the  
5 purchaser during the preceding calendar month. Such return  
6 shall be filed on a form prescribed by the Department and  
7 shall contain such information as the Department may  
8 reasonably require.

9 When a purchaser pays a tax herein imposed directly to  
10 the Department, the Department (upon request therefor from  
11 such purchaser) shall issue an appropriate receipt to such  
12 purchaser showing that he has paid such tax to the  
13 Department. Such receipt shall be sufficient to relieve the  
14 purchaser from further liability from the tax to which such  
15 receipt may refer.

16 A user who is liable to pay Service Use Tax directly to  
17 the Department only occasionally and not on a frequently  
18 recurring basis, and who is not required to file returns  
19 within the Department as a serviceman under Section 9 of this  
20 Act, or as a serviceman under the "Service Occupation Tax  
21 Act", or as a retailer or user under the "Use Tax Act", or as  
22 a retailer under the "Retailers' Occupation Tax Act", need  
23 not register with the Department. However, if such a user has  
24 a frequently recurring direct Service Use Tax liability to  
25 pay to the Department, such user shall be required to  
26 register with the Department on forms prescribed by the  
27 Department and to obtain and display a certificate of  
28 registration from the Department. In that event, all of the  
29 provisions of Section 9 of this Act concerning the filing of  
30 regular monthly, quarterly or annual tax returns and all of  
31 the provisions of Section 2a of the "Retailers' Occupation  
32 Tax Act" concerning the requirements for registrants to post  
33 bond or other security with the Department, as the provisions  
34 of such sections now exist or may hereafter be amended, shall

1 apply to such users to the same extent as if such provisions  
2 were included herein.

3 The Department is authorized to contract with credit card  
4 issuers to collect the tax imposed by this Act on remote  
5 sales. If a credit card issuer enters into such a contract  
6 with the Department, the issuer must state as a separate item  
7 on the monthly bill to customers the tax charged under this  
8 Act. A credit card issuer is entitled to reduce the amount  
9 of the tax collected under this Act that it remits to the  
10 Department by the amount of costs incurred by the company to  
11 collect the tax or 4% of the revenue generated from the sale  
12 on which the tax is collected, whichever is greater. As used  
13 in this paragraph, "remote sales" means internet sales, phone  
14 order sales, and direct-mail sales. As used in this  
15 paragraph, "credit card" means any instrument or device,  
16 whether known as a credit card, credit plate, charge plate,  
17 or any other name, issued with or without a fee by an issuer  
18 for the use of the cardholder in obtaining money, goods,  
19 services, or anything else of value on credit or in  
20 consideration or an undertaking or guaranty by the issuer of  
21 the payment of a check drawn by the cardholder. As used in  
22 this paragraph, "issuer" means the business organization or  
23 financial institution that issues a credit card or debit  
24 card, or its duly authorized agent.

25 (Source: P.A. 91-51, eff. 6-30-99.)

26 Section 99. Effective date. This Act takes effect upon  
27 becoming law.