

1 AN ACT regarding 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, 2005, the 1.25% rate on energy efficient
8 appliances) on sales subject to taxation under the Retailers'
9 Occupation Tax Act and the Service Occupation Tax Act, which
10 occurred in municipalities, shall be distributed to each
11 municipality, based upon the sales which occurred in that
12 municipality. The remainder shall be distributed to each
13 county, based upon the sales which occurred in the
14 unincorporated area of such county.

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

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

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

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

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

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

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

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

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

12 Sec. 6z-20. Of the money received from the 6.25% general
13 rate (and, beginning July 1, 2000 and through December 31,
14 2000, the 1.25% rate on motor fuel and gasohol and, beginning
15 January 1, 2002 and through December 31, 2005, the 1.25% rate
16 on energy efficient appliances) on sales subject to taxation
17 under the Retailers' Occupation Tax Act and Service
18 Occupation Tax Act and paid into the County and Mass Transit
19 District Fund, distribution to the Regional Transportation
20 Authority tax fund, created pursuant to Section 4.03 of the
21 Regional Transportation Authority Act, for deposit therein
22 shall be made based upon the retail sales occurring in a
23 county having more than 3,000,000 inhabitants. The remainder
24 shall be 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 With respect to gasohol, the tax imposed by this Act
12 applies to 70% of the proceeds of sales made on or after
13 January 1, 1990, and before July 1, 2003, and to 100% of the
14 proceeds of sales made thereafter.

15 Beginning January 1, 2002 and through December 31, 2005,
16 with respect to energy efficient appliances, the tax is
17 imposed at the rate of 1.25%. "Energy efficient appliances"
18 are clothes washers, refrigerators, and dishwashers that meet
19 or exceed applicable energy saving efficiency requirements
20 developed by the United States Department of Energy for the
21 Energy Star Program. The Department of Revenue, in
22 consultation with manufacturers, retailers, and public
23 interest groups, must develop public information programs and
24 materials to identify and encourage the sales of products
25 eligible for this tax reduction.

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

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

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

18 If the property that is purchased at retail from a
19 retailer is acquired outside Illinois and used outside
20 Illinois before being brought to Illinois for use here and is
21 taxable under this Act, the "selling price" on which the tax
22 is computed shall be reduced by an amount that represents a
23 reasonable allowance for depreciation for the period of prior
24 out-of-state use.

25 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
26 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

27 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

28 Sec. 9. Except as to motor vehicles, watercraft,
29 aircraft, and trailers that are required to be registered
30 with an agency of this State, each retailer required or
31 authorized to collect the tax imposed by this Act shall pay
32 to the Department the amount of such tax (except as otherwise
33 provided) at the time when he is required to file his return

1 for the period during which such tax was collected, less a
2 discount of 2.1% prior to January 1, 1990, and 1.75% on and
3 after January 1, 1990, or \$5 per calendar year, whichever is
4 greater, which is allowed to reimburse the retailer for
5 expenses incurred in collecting the tax, keeping records,
6 preparing and filing returns, remitting the tax and supplying
7 data to the Department on request. In the case of retailers
8 who report and pay the tax on a transaction by transaction
9 basis, as provided in this Section, such discount shall be
10 taken with each such tax remittance instead of when such
11 retailer files his periodic return. A retailer need not
12 remit that part of any tax collected by him to the extent
13 that he is required to remit and does remit the tax imposed
14 by the Retailers' Occupation Tax Act, with respect to the
15 sale of the same property.

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

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

32 The Department may require returns to be filed on a
33 quarterly basis. If so required, a return for each calendar
34 quarter shall be filed on or before the twentieth day of the

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

6 1. The name of the seller;

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

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

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

17 5. The amount of tax due;

18 5-5. The signature of the taxpayer; and

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

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

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

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

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

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

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

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

29 Before October 1, 2000, if the taxpayer's average monthly
30 tax liability to the Department under this Act, the
31 Retailers' Occupation Tax Act, the Service Occupation Tax
32 Act, the Service Use Tax Act was \$10,000 or more during the
33 preceding 4 complete calendar quarters, he shall file a
34 return with the Department each month by the 20th day of the

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

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

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

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

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

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

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

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

1 particular instance, if that is claimed to be the fact); the
2 place and date of the sale, a sufficient identification of
3 the property sold, and such other information as the
4 Department may reasonably require.

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

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

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

1 has paid the proper tax (if tax is due) to the retailer. The
2 Department shall adopt appropriate rules to carry out the
3 mandate of this paragraph.

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

23 Where a retailer collects the tax with respect to the
24 selling price of tangible personal property which he sells
25 and the purchaser thereafter returns such tangible personal
26 property and the retailer refunds the selling price thereof
27 to the purchaser, such retailer shall also refund, to the
28 purchaser, the tax so collected from the purchaser. When
29 filing his return for the period in which he refunds such tax
30 to the purchaser, the retailer may deduct the amount of the
31 tax so refunded by him to the purchaser from any other use
32 tax which such retailer may be required to pay or remit to
33 the Department, as shown by such return, if the amount of the
34 tax to be deducted was previously remitted to the Department

1 by such retailer. If the retailer has not previously
2 remitted the amount of such tax to the Department, he is
3 entitled to no deduction under this Act upon refunding such
4 tax to the purchaser.

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

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

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

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

1 by diabetics.

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

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

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

21 Beginning February 1, 2002, each month the Department
22 shall pay into the State and Local Sales Tax Reform Fund 100%
23 of the net revenue realized for the preceding month from the
24 1.25% rate on the selling price of energy efficient
25 appliances.

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

33 Of the remainder of the moneys received by the Department
34 pursuant to this Act, (a) 1.75% thereof shall be paid into

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

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

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

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

10	Fiscal Year	Total Deposit
11	1993	\$0
12	1994	53,000,000
13	1995	58,000,000
14	1996	61,000,000
15	1997	64,000,000
16	1998	68,000,000
17	1999	71,000,000
18	2000	75,000,000
19	2001	80,000,000
20	2002	84,000,000
21	2003	89,000,000
22	2004	93,000,000
23	2005	97,000,000
24	2006	102,000,000
25	2007	108,000,000
26	2008	115,000,000
27	2009	120,000,000
28	2010	126,000,000
29	2011	132,000,000
30	2012	138,000,000
31	2013 and	145,000,000

32 each fiscal year
 33 thereafter that bonds
 34 are outstanding under

1 Section 13.2 of the
2 Metropolitan Pier and
3 Exposition Authority
4 Act, but not after fiscal year 2029.

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

18 Subject to payment of amounts into the Build Illinois
19 Fund and the McCormick Place Expansion Project Fund pursuant
20 to the preceding paragraphs or in any amendment thereto
21 hereafter enacted, each month the Department shall pay into
22 the Local Government Distributive Fund .4% of the net revenue
23 realized for the preceding month from the 5% general rate, or
24 .4% of 80% of the net revenue realized for the preceding
25 month from the 6.25% general rate, as the case may be, on the
26 selling price of tangible personal property which amount
27 shall, subject to appropriation, be distributed as provided
28 in Section 2 of the State Revenue Sharing Act. No payments or
29 distributions pursuant to this paragraph shall be made if the
30 tax imposed by this Act on photoprocessing products is
31 declared unconstitutional, or if the proceeds from such tax
32 are unavailable for distribution because of 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 Of the remainder of the moneys received by the Department
9 pursuant to this Act, 75% thereof shall be paid into the
10 State Treasury and 25% shall be reserved in a special account
11 and used only for the transfer to the Common School Fund as
12 part of the monthly transfer from the General Revenue Fund in
13 accordance with Section 8a of the State Finance Act.

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

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

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

33 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
34 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.

1 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
2 eff. 1-1-01; revised 8-30-00.)

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

5 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

6 Sec. 3-10. Rate of tax. Unless otherwise provided in
7 this Section, the tax imposed by this Act is at the rate of
8 6.25% of the selling price of tangible personal property
9 transferred as an incident to the sale of service, but, for
10 the purpose of computing this tax, in no event shall the
11 selling price be less than the cost price of the property to
12 the serviceman.

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

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

22 Beginning January 1, 2002 and through December 31, 2005,
23 with respect to energy efficient appliances, the tax is
24 imposed at the rate of 1.25%. "Energy efficient appliances"
25 are clothes washers, refrigerators, and dishwashers that meet
26 or exceed applicable energy saving efficiency requirements
27 developed by the United States Department of Energy for the
28 Energy Star Program. The Department of Revenue, in
29 consultation with manufacturers, retailers, and public
30 interest groups, must develop public information programs and
31 materials to identify and encourage the sales of products
32 eligible for this tax reduction.

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 as an 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 bottle, can,
32 carton, or container, regardless of size. "Soft drinks" does
33 not include coffee, tea, non-carbonated water, infant
34 formula, milk or milk products as defined in the Grade A

1 Pasteurized Milk and Milk Products Act, or drinks containing
2 50% or more 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 If the property that is acquired from a serviceman is
10 acquired outside Illinois and used outside Illinois before
11 being brought to Illinois for use here and is taxable under
12 this Act, the "selling price" on which the tax is computed
13 shall be reduced by an amount that represents a reasonable
14 allowance for depreciation for the period of prior
15 out-of-state use.

16 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
17 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
18 7-1-00.)

19 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

1 incidental transfer by him of the same property.

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

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

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

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

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

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

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

32 All taxpayers required to make payment by electronic
33 funds transfer and any taxpayers authorized to voluntarily
34 make payments by electronic funds transfer shall make those

1 payments in the manner authorized by the Department.

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

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

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

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

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

32 Where a serviceman collects the tax with respect to the
33 selling price of property which he sells and the purchaser
34 thereafter returns such property and the serviceman refunds

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

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

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

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

32 Beginning January 1, 1990, each month the Department
33 shall pay into the State and Local Tax Reform Fund, a special
34 fund in the State Treasury, the net revenue realized for the

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

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

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

20 Beginning February 1, 2002, each month the Department
21 shall pay into the State and Local Sales Tax Reform Fund 100%
22 of the net revenue realized for the preceding month from the
23 1.25% rate on the selling price of energy efficient
24 appliances.

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

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

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

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

1 specified fiscal years.

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

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

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

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

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

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

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

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

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

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

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

21 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

22 Sec. 3-10. Rate of tax. Unless otherwise provided in
23 this Section, the tax imposed by this Act is at the rate of
24 6.25% of the "selling price", as defined in Section 2 of the
25 Service Use Tax Act, of the tangible personal property. For
26 the purpose of computing this tax, in no event shall the
27 "selling price" be less than the cost price to the serviceman
28 of the tangible personal property transferred. The selling
29 price of each item of tangible personal property transferred
30 as an incident of a sale of service may be shown as a
31 distinct and separate item on the serviceman's billing to the
32 service customer. If the selling price is not so shown, the

1 selling price of the tangible personal property is deemed to
2 be 50% of the serviceman's entire billing to the service
3 customer. When, however, a serviceman contracts to design,
4 develop, and produce special order machinery or equipment,
5 the tax imposed by this Act shall be based on the
6 serviceman's cost price of the tangible personal property
7 transferred incident to the completion of the contract.

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

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

17 Beginning January 1, 2002 and through December 31, 2005,
18 with respect to energy efficient appliances, the tax is
19 imposed at the rate of 1.25%. "Energy efficient appliances"
20 are clothes washers, refrigerators, and dishwashers that meet
21 or exceed applicable energy saving efficiency requirements
22 developed by the United States Department of Energy for the
23 Energy Star Program. The Department of Revenue, in
24 consultation with manufacturers, retailers, and public
25 interest groups, must develop public information programs and
26 materials to identify and encourage the sales of products
27 eligible for this tax reduction.

28 At the election of any registered serviceman made for
29 each fiscal year, sales of service in which the aggregate
30 annual cost price of tangible personal property transferred
31 as an incident to the sales of service is less than 35%, or
32 75% in the case of servicemen transferring prescription drugs
33 or servicemen engaged in graphic arts production, of the
34 aggregate annual total gross receipts from all sales of

1 service, the tax imposed by this Act shall be based on the
2 serviceman's cost price of the tangible personal property
3 transferred incident to the sale of those services.

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

30 Notwithstanding any other provisions of this Act, "food
31 for human consumption that is to be consumed off the premises
32 where it is sold" includes all food sold through a vending
33 machine, except soft drinks and food products that are
34 dispensed hot from a vending machine, regardless of the

1 location of the vending machine.

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

4 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

5 Sec. 9. Each serviceman required or authorized to
6 collect the tax herein imposed shall pay to the Department
7 the amount of such tax at the time when he is required to
8 file his return for the period during which such tax was
9 collectible, less a discount of 2.1% prior to January 1,
10 1990, and 1.75% on and after January 1, 1990, or \$5 per
11 calendar year, whichever is greater, which is allowed to
12 reimburse the serviceman for expenses incurred in collecting
13 the tax, keeping records, preparing and filing returns,
14 remitting the tax and supplying data to the Department on
15 request.

16 Where such tangible personal property is sold under a
17 conditional sales contract, or under any other form of sale
18 wherein the payment of the principal sum, or a part thereof,
19 is extended beyond the close of the period for which the
20 return is filed, the serviceman, in collecting the tax may
21 collect, for each tax return period, only the tax applicable
22 to the part of the selling price actually received during
23 such tax return period.

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

32 The Department may require returns to be filed on a
33 quarterly basis. If so required, a return for each calendar

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

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

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

25 A serviceman may accept a Manufacturer's Purchase Credit
26 certification from a purchaser in satisfaction of Service Use
27 Tax as provided in Section 3-70 of the Service Use Tax Act if
28 the purchaser provides the appropriate documentation as
29 required by Section 3-70 of the Service Use Tax Act. A
30 Manufacturer's Purchase Credit certification, accepted by a
31 serviceman as provided in Section 3-70 of the Service Use Tax
32 Act, may be used by that serviceman to satisfy Service
33 Occupation Tax liability in the amount claimed in the
34 certification, not to exceed 6.25% of the receipts subject to

1 tax from a qualifying purchase.

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

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

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

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

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

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

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

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

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

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

31 Where a serviceman collects the tax with respect to the
32 selling price of tangible personal property which he sells
33 and the purchaser thereafter returns such tangible personal
34 property and the serviceman refunds the selling price thereof

1 to the purchaser, such serviceman shall also refund, to the
2 purchaser, the tax so collected from the purchaser. When
3 filing his return for the period in which he refunds such tax
4 to the purchaser, the serviceman may deduct the amount of the
5 tax so refunded by him to the purchaser from any other
6 Service Occupation Tax, Service Use Tax, Retailers'
7 Occupation Tax or Use Tax which such serviceman may be
8 required to pay or remit to the Department, as shown by such
9 return, provided that the amount of the tax to be deducted
10 shall previously have been remitted to the Department by such
11 serviceman. If the serviceman shall not previously have
12 remitted the amount of such tax to the Department, he shall
13 be entitled to no deduction hereunder upon refunding such tax
14 to the purchaser.

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

22 Where the serviceman has more than one business
23 registered with the Department under separate registrations
24 hereunder, such serviceman shall file separate returns for
25 each registered business.

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

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

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

9 Beginning February 1, 2002, each month the Department
10 shall pay into the County and Mass Transit District Fund 20%
11 of the net revenue realized for the preceding month from the
12 1.25% rate on the selling price of energy efficient
13 appliances.

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

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

22 Beginning February 1, 2002, each month the Department
23 shall pay into the Local Government Tax Fund 80% of the net
24 revenue realized for the preceding month from the 1.25% rate
25 on the selling price of energy efficient appliances.

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

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

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

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

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

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

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

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

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

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

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

1 property.

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

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

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

31 (i) Until January 1, 1994, the taxpayer shall be
32 liable for a penalty equal to 1/6 of 1% of the tax due
33 from such taxpayer under this Act during the period to be
34 covered by the annual return for each month or fraction

1 of a month until such return is filed as required, the
2 penalty to be assessed and collected in the same manner
3 as any other penalty provided for in this Act.

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

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

15 The foregoing portion of this Section concerning the
16 filing of an annual information return shall not apply to a
17 serviceman who is not required to file an income tax return
18 with the United States Government.

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

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

31 For greater simplicity of administration, it shall be
32 permissible for manufacturers, importers and wholesalers
33 whose products are sold by numerous servicemen in Illinois,
34 and who wish to do so, to assume the responsibility for

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

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

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

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

11 Sec. 2-10. Rate of tax. Unless otherwise provided in
12 this Section, the tax imposed by this Act is at the rate of
13 6.25% of gross receipts from sales of tangible personal
14 property made in the course of business.

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

19 Within 14 days after the effective date of this
20 amendatory Act of the 91st General Assembly, each retailer of
21 motor fuel and gasohol shall cause the following notice to be
22 posted in a prominently visible place on each retail
23 dispensing device that is used to dispense motor fuel or
24 gasohol in the State of Illinois: "As of July 1, 2000, the
25 State of Illinois has eliminated the State's share of sales
26 tax on motor fuel and gasohol through December 31, 2000. The
27 price on this pump should reflect the elimination of the
28 tax." The notice shall be printed in bold print on a sign
29 that is no smaller than 4 inches by 8 inches. The sign shall
30 be clearly visible to customers. Any retailer who fails to
31 post or maintain a required sign through December 31, 2000 is
32 guilty of a petty offense for which the fine shall be \$500

1 per day per each retail premises where a violation occurs.

2 With respect to gasohol, as defined in the Use Tax Act,
3 the tax imposed by this Act applies to 70% of the proceeds of
4 sales made on or after January 1, 1990, and before July 1,
5 2003, and to 100% of the proceeds of sales made thereafter.

6 Beginning January 1, 2002 and through December 31, 2005,
7 with respect to energy efficient appliances, the tax is
8 imposed at the rate of 1.25%. "Energy efficient appliances"
9 are clothes washers, refrigerators, and dishwashers that meet
10 or exceed applicable energy saving efficiency requirements
11 developed by the United States Department of Energy for the
12 Energy Star Program. The Department of Revenue, in
13 consultation with manufacturers, retailers, and public
14 interest groups, must develop public information programs and
15 materials to identify and encourage the sales of products
16 eligible for this tax reduction.

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

1 the Grade A Pasteurized Milk and Milk Products Act, or drinks
2 containing 50% or more 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, eff. 6-30-99; 91-872, eff. 7-1-00.)

11 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

- 17 1. The name of the seller;
- 18 2. His residence address and the address of his
19 principal place of business and the address of the
20 principal place of business (if that is a different
21 address) from which he engages in the business of selling
22 tangible personal property at retail in this State;
- 23 3. Total amount of receipts received by him during
24 the preceding calendar month or quarter, as the case may
25 be, from sales of tangible personal property, and from
26 services furnished, by him during such preceding calendar
27 month or quarter;
- 28 4. Total amount received by him during the
29 preceding calendar month or quarter on charge and time
30 sales of tangible personal property, and from services
31 furnished, by him prior to the month or quarter for which
32 the return is filed;
- 33 5. Deductions allowed by law;

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

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

6 8. The amount of tax due;

7 9. The signature of the taxpayer; and

8 10. Such other reasonable information as the
9 Department may require.

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

14 Each return shall be accompanied by the statement of
15 prepaid tax issued pursuant to Section 2e for which credit is
16 claimed.

17 A retailer may accept a Manufacturer's Purchase Credit
18 certification from a purchaser in satisfaction of Use Tax as
19 provided in Section 3-85 of the Use Tax Act if the purchaser
20 provides the appropriate documentation as required by Section
21 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
22 certification, accepted by a retailer as provided in Section
23 3-85 of the Use Tax Act, may be used by that retailer to
24 satisfy Retailers' Occupation Tax liability in the amount
25 claimed in the certification, not to exceed 6.25% of the
26 receipts subject to tax from a qualifying purchase.

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

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

15 If a total amount of less than \$1 is payable, refundable
 16 or creditable, such amount shall be disregarded if it is less
 17 than 50 cents and shall be increased to \$1 if it is 50 cents
 18 or more.

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

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

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

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

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

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

23 Any amount which is required to be shown or reported on
24 any return or other document under this Act shall, if such
25 amount is not a whole-dollar amount, be increased to the
26 nearest whole-dollar amount in any case where the fractional
27 part of a dollar is 50 cents or more, and decreased to the
28 nearest whole-dollar amount where the fractional part of a
29 dollar is less than 50 cents.

30 If the retailer is otherwise required to file a monthly
31 return and if the retailer's average monthly tax liability to
32 the Department does not exceed \$200, the Department may
33 authorize his returns to be filed on a quarter annual basis,
34 with the return for January, February and March of a given

1 year being due by April 20 of such year; with the return for
2 April, May and June of a given year being due by July 20 of
3 such year; with the return for July, August and September of
4 a given year being due by October 20 of such year, and with
5 the return for October, November and December of a given year
6 being due by January 20 of the following year.

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

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

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

23 Where the same person has more than one business
24 registered with the Department under separate registrations
25 under this Act, such person may not file each return that is
26 due as a single return covering all such registered
27 businesses, but shall file separate returns for each such
28 registered business.

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

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

19 Any retailer who sells only motor vehicles, watercraft,
20 aircraft, or trailers that are required to be registered with
21 an agency of this State, so that all retailers' occupation
22 tax liability is required to be reported, and is reported, on
23 such transaction reporting returns and who is not otherwise
24 required to file monthly or quarterly returns, need not file
25 monthly or quarterly returns. However, those retailers shall
26 be required to file returns on an annual basis.

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 1 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 or 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 1 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 day of delivery of the item that
33 is being sold, but may be filed by the retailer at any time
34 sooner than that if he chooses to do so. The transaction

1 reporting return and tax remittance or proof of exemption
2 from the Illinois use tax may be transmitted to the
3 Department by way of the State agency with which, or State
4 officer with whom the tangible personal property must be
5 titled or registered (if titling or registration is required)
6 if the Department and such agency or State officer determine
7 that this procedure will expedite the processing of
8 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 use 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 the tax or proof of exemption made to the Department
33 before the retailer is willing to take these actions and such
34 user has not paid the tax to the retailer, such user may

1 certify to the fact of such delay by the retailer and may
2 (upon the 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 Refunds made by the seller during the preceding return
16 period to purchasers, on account of tangible personal
17 property returned to the seller, shall be allowed as a
18 deduction under subdivision 5 of his monthly or quarterly
19 return, as the case may be, in case the seller had
20 theretofore included the receipts from the sale of such
21 tangible personal property in a return filed by him and had
22 paid the tax imposed by this Act with respect to such
23 receipts.

24 Where the seller is a corporation, the return filed on
25 behalf of such corporation shall be signed by the president,
26 vice-president, secretary or treasurer or by the properly
27 accredited agent of such corporation.

28 Where the seller is a limited liability company, the
29 return filed on behalf of the limited liability company shall
30 be signed by a manager, member, or properly accredited agent
31 of the limited liability company.

32 Except as provided in this Section, the retailer filing
33 the return under this Section shall, at the time of filing
34 such return, pay to the Department the amount of tax imposed

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

14 Before October 1, 2000, if the taxpayer's average monthly
15 tax liability to the Department under this Act, the Use Tax
16 Act, the Service Occupation Tax Act, and the Service Use Tax
17 Act, excluding any liability for prepaid sales tax to be
18 remitted in accordance with Section 2d of this Act, was
19 \$10,000 or more during the preceding 4 complete calendar
20 quarters, he shall file a return with the Department each
21 month by the 20th day of the month next following the month
22 during which such tax liability is incurred and shall make
23 payments to the Department on or before the 7th, 15th, 22nd
24 and last day of the month during which such liability is
25 incurred. On and after October 1, 2000, if the taxpayer's
26 average monthly tax liability to the Department under this
27 Act, the Use Tax Act, the Service Occupation Tax Act, and the
28 Service Use Tax Act, excluding any liability for prepaid
29 sales tax to be remitted in accordance with Section 2d of
30 this Act, was \$20,000 or more during the preceding 4 complete
31 calendar quarters, he shall file a return with the Department
32 each month by the 20th day of the month next following the
33 month during which such tax liability is incurred and shall
34 make payment to the Department on or before the 7th, 15th,

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

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

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

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

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

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

1 all or any part of the credit taken was not actually due to
2 the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount
3 shall be reduced by 2.1% or 1.75% of the difference between
4 the credit taken and that actually due, and that taxpayer
5 shall be liable for penalties and interest on such
6 difference.

7 If a retailer of motor fuel is entitled to a credit under
8 Section 2d of this Act which exceeds the taxpayer's liability
9 to the Department under this Act for the month which the
10 taxpayer is filing a return, the Department shall issue the
11 taxpayer a credit memorandum for the excess.

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

22 Beginning January 1, 1990, each month the Department
23 shall pay into the County and Mass Transit District Fund, a
24 special fund in the State treasury which is hereby created,
25 4% of the net revenue realized for the preceding month from
26 the 6.25% general rate.

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

31 Beginning February 1, 2002, each month the Department
32 shall pay into the County and Mass Transit District Fund 20%
33 of the net revenue realized for the preceding month from the
34 1.25% rate on the selling price of energy efficient

1 appliances.

2 Beginning January 1, 1990, each month the Department
3 shall pay into the Local Government Tax Fund 16% of the net
4 revenue realized for the preceding month from the 6.25%
5 general rate on the selling price of tangible personal
6 property.

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

11 Beginning February 1, 2002, each month the Department
12 shall pay into the Local Government Tax Fund 80% of the net
13 revenue realized for the preceding month from the 1.25% rate
14 on the selling price of energy efficient appliances.

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

1 1986 through 1993:

2	Fiscal Year	Annual Specified Amount
3	1986	\$54,800,000
4	1987	\$76,650,000
5	1988	\$80,480,000
6	1989	\$88,510,000
7	1990	\$115,330,000
8	1991	\$145,470,000
9	1992	\$182,730,000
10	1993	\$206,520,000;

11 and means the Certified Annual Debt Service Requirement (as
 12 defined in Section 13 of the Build Illinois Bond Act) or the
 13 Tax Act Amount, whichever is greater, for fiscal year 1994
 14 and each fiscal year thereafter; and further provided, that
 15 if on the last business day of any month the sum of (1) the
 16 Tax Act Amount required to be deposited into the Build
 17 Illinois Bond Account in the Build Illinois Fund during such
 18 month and (2) the amount transferred to the Build Illinois
 19 Fund from the State and Local Sales Tax Reform Fund shall
 20 have been less than 1/12 of the Annual Specified Amount, an
 21 amount equal to the difference shall be immediately paid into
 22 the Build Illinois Fund from other moneys received by the
 23 Department pursuant to the Tax Acts; and, further provided,
 24 that in no event shall the payments required under the
 25 preceding proviso result in aggregate payments into the Build
 26 Illinois Fund pursuant to this clause (b) for any fiscal year
 27 in excess of the greater of (i) the Tax Act Amount or (ii)
 28 the Annual Specified Amount for such fiscal year. The
 29 amounts payable into the Build Illinois Fund under clause (b)
 30 of the first sentence in this paragraph shall be payable only
 31 until such time as the aggregate amount on deposit under each
 32 trust indenture securing Bonds issued and outstanding
 33 pursuant to the Build Illinois Bond Act is sufficient, taking
 34 into account any future investment income, to fully provide,

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

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

1 collections under Section 9 of the Use Tax Act, Section 9 of
 2 the Service Use Tax Act, Section 9 of the Service Occupation
 3 Tax Act, and Section 3 of the Retailers' Occupation Tax Act
 4 into the McCormick Place Expansion Project Fund in the
 5 specified fiscal years.

6	Fiscal Year	Total Deposit
7	1993	\$0
8	1994	53,000,000
9	1995	58,000,000
10	1996	61,000,000
11	1997	64,000,000
12	1998	68,000,000
13	1999	71,000,000
14	2000	75,000,000
15	2001	80,000,000
16	2002	84,000,000
17	2003	89,000,000
18	2004	93,000,000
19	2005	97,000,000
20	2006	102,000,000
21	2007	108,000,000
22	2008	115,000,000
23	2009	120,000,000
24	2010	126,000,000
25	2011	132,000,000
26	2012	138,000,000
27	2013 and	145,000,000

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

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

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

30 Subject to payment of amounts into the Build Illinois
31 Fund, the McCormick Place Expansion Project Fund, and the
32 Local Government Distributive Fund pursuant to the preceding
33 paragraphs or in any amendments thereto hereafter enacted,
34 beginning July 1, 1993, the Department shall each month pay

1 into the Illinois Tax Increment Fund 0.27% of 80% of the net
2 revenue realized for the preceding month from the 6.25%
3 general rate on the selling price of tangible personal
4 property.

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

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 retailer'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 retailer shall attach to his
22 annual return a schedule showing a reconciliation of the 2
23 amounts and the reasons for the difference. The retailer's
24 annual return to the Department shall also disclose the cost
25 of goods sold by the retailer during the year covered by such
26 return, opening and closing inventories of such goods for
27 such year, costs of goods used from stock or taken from stock
28 and given away by the retailer during such year, payroll
29 information of the retailer'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 retailer
33 as 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 provisions of this Section concerning the filing of
22 an annual information return do not apply to a retailer who
23 is not required to file an income tax return with the United
24 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, manufacturers,
4 importers and wholesalers whose products are sold at retail
5 in Illinois by numerous retailers, and who wish to do so, may
6 assume the responsibility for accounting and paying to the
7 Department all tax accruing under this Act with respect to
8 such sales, if the retailers who are affected do not make
9 written objection to the Department to this arrangement.

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

27 Any person engaged in the business of selling tangible
28 personal property at retail as a concessionaire or other type
29 of seller at the Illinois State Fair, county fairs, art
30 shows, flea markets and similar exhibitions or events, or any
31 transient merchants, as defined by Section 2 of the Transient
32 Merchant Act of 1987, may be required to make a daily report
33 of the amount of such sales to the Department and to make a
34 daily payment of the full amount of tax due. The Department

1 shall impose this requirement when it finds that there is a
2 significant risk of loss of revenue to the State at such an
3 exhibition or event. Such a finding shall be based on
4 evidence that a substantial number of concessionaires or
5 other sellers who are not residents of Illinois will be
6 engaging in the business of selling tangible personal
7 property at retail at the exhibition or event, or other
8 evidence of a significant risk of loss of revenue to the
9 State. The Department shall notify concessionaires and other
10 sellers affected by the imposition of this requirement. In
11 the absence of notification by the Department, the
12 concessionaires and other sellers shall file their returns as
13 otherwise required in this Section.

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

18 Section 99. Effective date. This Act takes effect on
19 January 1, 2002.