

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 July 1, 2001, the 1.25% rate on
7 energy efficient and home weatherization products) on sales
8 subject to taxation under the Retailers' Occupation Tax Act
9 and the Service Occupation Tax Act, which occurred in
10 municipalities, shall be distributed to each municipality,
11 based upon the sales which occurred in that municipality. The
12 remainder shall be distributed to each county, based upon the
13 sales which occurred in the unincorporated area of such
14 county.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 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, 2004,
16 energy efficient and home weatherization products for use in
17 residential structures constructed before January 1, 2002.
18 "Energy efficient and home weatherization products" are (i)
19 products that are entitled to and carry the Energy Star logo,
20 such as windows, insulation, roof products, residential lamps
21 and lights, transformers, heating and cooling equipment, and
22 appliances, (ii) weatherization products, such as weather
23 stripping, plastic window wrap kits, outlet gaskets,
24 insulation, water heater wraps, and pipe insulation, (iii)
25 energy saving light bulbs, shower heads, faucet aerators, and
26 programmable thermostats, and (iv) alternative energy
27 systems, such as energy from wind, solar thermal energy, and
28 photovoltaic cells and panels.

29 With respect to food for human consumption that is to be
30 consumed off the premises where it is sold (other than
31 alcoholic beverages, soft drinks, and food that has been
32 prepared for immediate consumption) and prescription and
33 nonprescription medicines, drugs, medical appliances,
34 modifications to a motor vehicle for the purpose of rendering

1 it usable by a disabled person, and insulin, urine testing
2 materials, syringes, and needles used by diabetics, for human
3 use, the tax is imposed at the rate of 1%. For the purposes
4 of this Section, the term "soft drinks" means any complete,
5 finished, ready-to-use, non-alcoholic drink, whether
6 carbonated or not, including but not limited to soda water,
7 cola, fruit juice, vegetable juice, carbonated water, and all
8 other preparations commonly known as soft drinks of whatever
9 kind or description that are contained in any closed or
10 sealed bottle, can, carton, or container, regardless of size.
11 "Soft drinks" does not include coffee, tea, non-carbonated
12 water, infant formula, milk or milk products as defined in
13 the Grade A Pasteurized Milk and Milk Products Act, or drinks
14 containing 50% or more natural fruit or vegetable juice.

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

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

28 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
29 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

30 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

31 Sec. 9. Except as to motor vehicles, watercraft,
32 aircraft, and trailers that are required to be registered
33 with an agency of this State, each retailer required or

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

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

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

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

9 1. The name of the seller;

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

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

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

20 5. The amount of tax due;

21 5-5. The signature of the taxpayer; and

22 6. Such other reasonable information as the
23 Department may require.

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

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

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

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

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

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

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

32 Before October 1, 2000, if the taxpayer's average monthly
33 tax liability to the Department under this Act, the
34 Retailers' Occupation Tax Act, the Service Occupation Tax

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

1 calendar month of the preceding year. If the month during
2 which such tax liability is incurred begins on or after
3 January 1, 1988, and prior to January 1, 1989, or begins on
4 or after January 1, 1996, each payment shall be in an amount
5 equal to 22.5% of the taxpayer's actual liability for the
6 month or 25% of the taxpayer's liability for the same
7 calendar month of the preceding year. If the month during
8 which such tax liability is incurred begins on or after
9 January 1, 1989, and prior to January 1, 1996, each payment
10 shall be in an amount equal to 22.5% of the taxpayer's actual
11 liability for the month or 25% of the taxpayer's liability
12 for the same calendar month of the preceding year or 100% of
13 the taxpayer's actual liability for the quarter monthly
14 reporting period. The amount of such quarter monthly
15 payments shall be credited against the final tax liability of
16 the taxpayer's return for that month. Before October 1,
17 2000, once applicable, the requirement of the making of
18 quarter monthly payments to the Department shall continue
19 until such taxpayer's average monthly liability to the
20 Department during the preceding 4 complete calendar quarters
21 (excluding the month of highest liability and the month of
22 lowest liability) is less than \$9,000, or until such
23 taxpayer's average monthly liability to the Department as
24 computed for each calendar quarter of the 4 preceding
25 complete calendar quarter period is less than \$10,000.
26 However, if a taxpayer can show the Department that a
27 substantial change in the taxpayer's business has occurred
28 which causes the taxpayer to anticipate that his average
29 monthly tax liability for the reasonably foreseeable future
30 will fall below the \$10,000 threshold stated above, then such
31 taxpayer may petition the Department for change in such
32 taxpayer's reporting status. On and after October 1, 2000,
33 once applicable, the requirement of the making of quarter
34 monthly payments to the Department shall continue until such

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

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

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

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

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

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

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

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

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

1 Class 3, or Class 4 watercraft as defined in Section 3-2 of
2 the Boat Registration and Safety Act, a personal watercraft,
3 or any boat equipped with an inboard motor.

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

25 The transaction reporting return in the case of
26 watercraft and aircraft must show the name and address of the
27 seller; the name and address of the purchaser; the amount of
28 the selling price including the amount allowed by the
29 retailer for traded-in property, if any; the amount allowed
30 by the retailer for the traded-in tangible personal property,
31 if any, to the extent to which Section 2 of this Act allows
32 an exemption for the value of traded-in property; the balance
33 payable after deducting such trade-in allowance from the
34 total selling price; the amount of tax due from the retailer

1 with respect to such transaction; the amount of tax collected
2 from the purchaser by the retailer on such transaction (or
3 satisfactory evidence that such tax is not due in that
4 particular instance, if that is claimed to be the fact); the
5 place and date of the sale, a sufficient identification of
6 the property sold, and such other information as the
7 Department may reasonably require.

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

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

33 No retailer's failure or refusal to remit tax under this
34 Act precludes a user, who has paid the proper tax to the

1 retailer, from obtaining his certificate of title or other
2 evidence of title or registration (if titling or registration
3 is required) upon satisfying the Department that such user
4 has paid the proper tax (if tax is due) to the retailer. The
5 Department shall adopt appropriate rules to carry out the
6 mandate of this paragraph.

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

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

1 tax which such retailer may be required to pay or remit to
2 the Department, as shown by such return, if the amount of the
3 tax to be deducted was previously remitted to the Department
4 by such retailer. If the retailer has not previously
5 remitted the amount of such tax to the Department, he is
6 entitled to no deduction under this Act upon refunding such
7 tax to the purchaser.

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

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

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

28 Beginning January 1, 1990, each month the Department
29 shall pay into the State and Local Sales Tax Reform Fund, a
30 special fund in the State Treasury which is hereby created,
31 the net revenue realized for the preceding month from the 1%
32 tax on sales of food for human consumption which is to be
33 consumed off the premises where it is sold (other than
34 alcoholic beverages, soft drinks and food which has been

1 prepared for immediate consumption) and prescription and
2 nonprescription medicines, drugs, medical appliances and
3 insulin, urine testing materials, syringes and needles used
4 by diabetics.

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

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

20 Beginning August 1, 2000, each month the Department shall
21 pay into the State and Local Sales Tax Reform Fund 100% of
22 the net revenue realized for the preceding month from the
23 1.25% rate on the selling price of motor fuel and gasohol.

24 Beginning September 1, 2001, each month the Department
25 shall pay into the State and Local Sales Tax Reform Fund 100%
26 of the net revenue realized for the preceding month from the
27 1.25% rate on the selling price of energy efficient and home
28 weatherization products.

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

1 this State's government.

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

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

34 Subject to payment of amounts into the Build Illinois

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

| 13 | Fiscal Year | Total Deposit |
|----|-------------|---------------|
| 14 | 1993 | \$0 |
| 15 | 1994 | 53,000,000 |
| 16 | 1995 | 58,000,000 |
| 17 | 1996 | 61,000,000 |
| 18 | 1997 | 64,000,000 |
| 19 | 1998 | 68,000,000 |
| 20 | 1999 | 71,000,000 |
| 21 | 2000 | 75,000,000 |
| 22 | 2001 | 80,000,000 |
| 23 | 2002 | 84,000,000 |
| 24 | 2003 | 89,000,000 |
| 25 | 2004 | 93,000,000 |
| 26 | 2005 | 97,000,000 |
| 27 | 2006 | 102,000,000 |
| 28 | 2007 | 108,000,000 |
| 29 | 2008 | 115,000,000 |
| 30 | 2009 | 120,000,000 |
| 31 | 2010 | 126,000,000 |
| 32 | 2011 | 132,000,000 |
| 33 | 2012 | 138,000,000 |
| 34 | 2013 and | 145,000,000 |

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

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

21 Subject to payment of amounts into the Build Illinois
22 Fund and the McCormick Place Expansion Project Fund pursuant
23 to the preceding paragraphs or in any amendment thereto
24 hereafter enacted, each month the Department shall pay into
25 the Local Government Distributive Fund .4% of the net revenue
26 realized for the preceding month from the 5% general rate, or
27 .4% of 80% of the net revenue realized for the preceding
28 month from the 6.25% general rate, as the case may be, on the
29 selling price of tangible personal property which amount
30 shall, subject to appropriation, be distributed as provided
31 in Section 2 of the State Revenue Sharing Act. No payments or
32 distributions pursuant to this paragraph shall be made if the
33 tax imposed by this Act on photoprocessing products is
34 declared unconstitutional, or if the proceeds from such tax

1 are unavailable for distribution because of litigation.

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

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

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

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

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

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

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

8 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

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

25 Beginning January 1, 2002 and through December 31, 2004,
 26 energy efficient and home weatherization products for use in
 27 residential structures constructed before January 1, 2002.
 28 "Energy efficient and home weatherization products" are (i)
 29 products that are entitled to and carry the Energy Star logo,
 30 such as windows, insulation, roof products, residential lamps
 31 and lights, transformers, heating and cooling equipment, and
 32 appliances, (ii) weatherization products, such as weather

1 stripping, plastic window wrap kits, outlet gaskets,
2 insulation, water heater wraps, and pipe insulation, (iii)
3 energy saving light bulbs, shower heads, faucet aerators, and
4 programmable thermostats, and (iv) alternative energy
5 systems, such as energy from wind, solar thermal energy, and
6 photovoltaic cells and panels.

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

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

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

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

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

22 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
23 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
24 7-1-00.)

25 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

26 Sec. 9. Each serviceman required or authorized to
27 collect the tax herein imposed shall pay to the Department
28 the amount of such tax (except as otherwise provided) at the
29 time when he is required to file his return for the period
30 during which such tax was collected, less a discount of 2.1%
31 prior to January 1, 1990 and 1.75% on and after January 1,
32 1990, or \$5 per calendar year, whichever is greater, which is
33 allowed to reimburse the serviceman for expenses incurred in

1 collecting the tax, keeping records, preparing and filing
2 returns, remitting the tax and supplying data to the
3 Department on request. A serviceman need not remit that part
4 of any tax collected by him to the extent that he is required
5 to pay and does pay the tax imposed by the Service Occupation
6 Tax Act with respect to his sale of service involving the
7 incidental transfer by him of the same property.

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

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

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business
25 from which he engages in business as a serviceman in this
26 State;
- 27 3. The total amount of taxable receipts received by
28 him during the preceding calendar month, including
29 receipts from charge and time sales, but less all
30 deductions allowed by law;
- 31 4. The amount of credit provided in Section 2d of
32 this Act;
- 33 5. The amount of tax due;
- 34 5-5. The signature of the taxpayer; and

1 6. Such other reasonable information as the
2 Department may require.

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

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

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

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

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

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

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

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

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

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

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

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

21 Any serviceman filing a return hereunder shall also
22 include the total tax upon the selling price of tangible
23 personal property purchased for use by him as an incident to
24 a sale of service, and such serviceman shall remit the amount
25 of such tax to the Department when filing such return.

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

32 Where the serviceman has more than one business
33 registered with the Department under separate registration
34 hereunder, such serviceman shall not file each return that is

1 due as a single return covering all such registered
2 businesses, but shall file separate returns for each such
3 registered business.

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

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

22 Beginning August 1, 2000, each month the Department shall
23 pay into the State and Local Sales Tax Reform Fund 100% of
24 the net revenue realized for the preceding month from the
25 1.25% rate on the selling price of motor fuel and gasohol.

26 Beginning September 1, 2001, each month the Department
27 shall pay into the State and Local Sales Tax Reform Fund 100%
28 of the net revenue realized for the preceding month from the
29 1.25% rate on the selling price of energy efficient and home
30 weatherization products.

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

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

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

29 Subject to payment of amounts into the Build Illinois
30 Fund as provided in the preceding paragraph or in any
31 amendment thereto hereafter enacted, the following specified
32 monthly installment of the amount requested in the
33 certificate of the Chairman of the Metropolitan Pier and
34 Exposition Authority provided under Section 8.25f of the

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

| 8 | Fiscal Year | Total Deposit |
|----|-------------|---------------|
| 9 | 1993 | \$0 |
| 10 | 1994 | 53,000,000 |
| 11 | 1995 | 58,000,000 |
| 12 | 1996 | 61,000,000 |
| 13 | 1997 | 64,000,000 |
| 14 | 1998 | 68,000,000 |
| 15 | 1999 | 71,000,000 |
| 16 | 2000 | 75,000,000 |
| 17 | 2001 | 80,000,000 |
| 18 | 2002 | 84,000,000 |
| 19 | 2003 | 89,000,000 |
| 20 | 2004 | 93,000,000 |
| 21 | 2005 | 97,000,000 |
| 22 | 2006 | 102,000,000 |
| 23 | 2007 | 108,000,000 |
| 24 | 2008 | 115,000,000 |
| 25 | 2009 | 120,000,000 |
| 26 | 2010 | 126,000,000 |
| 27 | 2011 | 132,000,000 |
| 28 | 2012 | 138,000,000 |
| 29 | 2013 and | 145,000,000 |

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

1 Exposition Authority Act,
2 but not after fiscal year 2029.

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

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

32 Subject to payment of amounts into the Build Illinois
33 Fund, the McCormick Place Expansion Project Fund, and the
34 Local Government Distributive Fund pursuant to the preceding

1 paragraphs or in any amendments thereto hereafter enacted,
2 beginning July 1, 1993, the Department shall each month pay
3 into the Illinois Tax Increment Fund 0.27% of 80% 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 All remaining moneys received by the Department pursuant
8 to this Act shall be paid into the General Revenue Fund of
9 the State Treasury.

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

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

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

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

27 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

28 Sec. 3-10. Rate of tax. Unless otherwise provided in
29 this Section, the tax imposed by this Act is at the rate of
30 6.25% of the "selling price", as defined in Section 2 of the
31 Service Use Tax Act, of the tangible personal property. For
32 the purpose of computing this tax, in no event shall the

1 "selling price" be less than the cost price to the serviceman
2 of the tangible personal property transferred. The selling
3 price of each item of tangible personal property transferred
4 as an incident of a sale of service may be shown as a
5 distinct and separate item on the serviceman's billing to the
6 service customer. If the selling price is not so shown, the
7 selling price of the tangible personal property is deemed to
8 be 50% of the serviceman's entire billing to the service
9 customer. When, however, a serviceman contracts to design,
10 develop, and produce special order machinery or equipment,
11 the tax imposed by this Act shall be based on the
12 serviceman's cost price of the tangible personal property
13 transferred incident to the completion of the contract.

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

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

23 Beginning January 1, 2002 and through December 31, 2004,
24 energy efficient and home weatherization products for use in
25 residential structures constructed before January 1, 2002.
26 "Energy efficient and home weatherization products" are (i)
27 products that are entitled to and carry the Energy Star logo,
28 such as windows, insulation, roof products, residential lamps
29 and lights, transformers, heating and cooling equipment, and
30 appliances, (ii) weatherization products, such as weather
31 stripping, plastic window wrap kits, outlet gaskets,
32 insulation, water heater wraps, and pipe insulation, (iii)
33 energy saving light bulbs, shower heads, faucet aerators, and
34 programmable thermostats, and (iv) alternative energy

1 systems, such as energy from wind, solar thermal energy, and
2 photovoltaic cells and panels.

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

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

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

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

11 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
12 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

13 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

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

33 Except as provided hereinafter in this Section, on or

1 before the twentieth day of each calendar month, such
2 serviceman shall file a return for the preceding calendar
3 month in accordance with reasonable rules and regulations to
4 be promulgated by the Department of Revenue. Such return
5 shall be filed on a form prescribed by the Department and
6 shall contain such information as the Department may
7 reasonably require.

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

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

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

34 A serviceman may accept a Manufacturer's Purchase Credit

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

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

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

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

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

1 month after discontinuing such business.

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

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

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

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

1 make payments by electronic funds transfer shall make those
2 payments in the manner authorized by the Department.

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

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

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

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

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

10 Beginning January 1, 1990, each month the Department
11 shall pay into the County and Mass Transit District Fund 4%
12 of the revenue realized for the preceding month from the
13 6.25% general rate.

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

18 Beginning September 1, 2001, each month the Department
19 shall pay into the County and Mass Transit District Fund 20%
20 of the net revenue realized for the preceding month from the
21 1.25% rate on the selling price of energy efficient and home
22 weatherization products.

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

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

31 Beginning September 1, 2001, each month the Department
32 shall pay into the Local Government Tax Fund 80% of the net
33 revenue realized for the preceding month from the 1.25% rate
34 on the selling price of energy efficient and home

1 weatherization products.

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

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

34 Subject to payment of amounts into the Build Illinois

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

| 13 | Fiscal Year | Total Deposit |
|----|-------------|---------------|
| 14 | 1993 | \$0 |
| 15 | 1994 | 53,000,000 |
| 16 | 1995 | 58,000,000 |
| 17 | 1996 | 61,000,000 |
| 18 | 1997 | 64,000,000 |
| 19 | 1998 | 68,000,000 |
| 20 | 1999 | 71,000,000 |
| 21 | 2000 | 75,000,000 |
| 22 | 2001 | 80,000,000 |
| 23 | 2002 | 84,000,000 |
| 24 | 2003 | 89,000,000 |
| 25 | 2004 | 93,000,000 |
| 26 | 2005 | 97,000,000 |
| 27 | 2006 | 102,000,000 |
| 28 | 2007 | 108,000,000 |
| 29 | 2008 | 115,000,000 |
| 30 | 2009 | 120,000,000 |
| 31 | 2010 | 126,000,000 |
| 32 | 2011 | 132,000,000 |
| 33 | 2012 | 138,000,000 |
| 34 | 2013 and | 145,000,000 |

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

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

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

1 from such tax are unavailable for distribution because of
2 litigation.

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

12 Remaining moneys received by the Department pursuant to
13 this Act shall be paid into the General Revenue Fund of the
14 State Treasury.

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

1 deems would be helpful in determining the accuracy of the
2 monthly, quarterly or annual returns filed by such taxpayer
3 as hereinbefore provided for in this Section.

4 If the annual information return required by this Section
5 is not filed when and as required, the taxpayer shall be
6 liable as follows:

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

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

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

25 The foregoing portion of this Section concerning the
26 filing of an annual information return shall not apply to a
27 serviceman who is not required to file an income tax return
28 with the United States Government.

29 As soon as possible after the first day of each month,
30 upon certification of the Department of Revenue, the
31 Comptroller shall order transferred and the Treasurer shall
32 transfer from the General Revenue Fund to the Motor Fuel Tax
33 Fund an amount equal to 1.7% of 80% of the net revenue
34 realized under this Act for the second preceding month.

1 Beginning April 1, 2000, this transfer is no longer required
2 and shall not be made.

3 Net revenue realized for a month shall be the revenue
4 collected by the State pursuant to this Act, less the amount
5 paid out during that month as refunds to taxpayers for
6 overpayment of liability.

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

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

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

20 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

21 Sec. 2-10. Rate of tax. Unless otherwise provided in
22 this Section, the tax imposed by this Act is at the rate of
23 6.25% of gross receipts from sales of tangible personal
24 property made in the course of business.

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

29 Within 14 days after the effective date of this
30 amendatory Act of the 91st General Assembly, each retailer of
31 motor fuel and gasohol shall cause the following notice to be
32 posted in a prominently visible place on each retail

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

12 With respect to gasohol, as defined in the Use Tax Act,
13 the tax imposed by this Act applies to 70% of the proceeds of
14 sales made on or after January 1, 1990, and before July 1,
15 2003, and to 100% of the proceeds of sales made thereafter.

16 Beginning January 1, 2002 and through December 31, 2004,
17 energy efficient and home weatherization products for use in
18 residential structures constructed before January 1, 2002.
19 "Energy efficient and home weatherization products" are (i)
20 products that are entitled to and carry the Energy Star logo,
21 such as windows, insulation, roof products, residential lamps
22 and lights, transformers, heating and cooling equipment, and
23 appliances, (ii) weatherization products, such as weather
24 stripping, plastic window wrap kits, outlet gaskets,
25 insulation, water heater wraps, and pipe insulation, (iii)
26 energy saving light bulbs, shower heads, faucet aerators, and
27 programmable thermostats, and (iv) alternative energy
28 systems, such as energy from wind, solar thermal energy, and
29 photovoltaic cells and panels.

30 With respect to food for human consumption that is to be
31 consumed off the premises where it is sold (other than
32 alcoholic beverages, soft drinks, and food that has been
33 prepared for immediate consumption) and prescription and
34 nonprescription medicines, drugs, medical appliances,

1 modifications to a motor vehicle for the purpose of rendering
2 it usable by a disabled person, and insulin, urine testing
3 materials, syringes, and needles used by diabetics, for human
4 use, the tax is imposed at the rate of 1%. For the purposes
5 of this Section, the term "soft drinks" means any complete,
6 finished, ready-to-use, non-alcoholic drink, whether
7 carbonated or not, including but not limited to soda water,
8 cola, fruit juice, vegetable juice, carbonated water, and all
9 other preparations commonly known as soft drinks of whatever
10 kind or description that are contained in any closed or
11 sealed bottle, can, carton, or container, regardless of size.
12 "Soft drinks" does not include coffee, tea, non-carbonated
13 water, infant formula, milk or milk products as defined in
14 the Grade A Pasteurized Milk and Milk Products Act, or drinks
15 containing 50% or more natural fruit or vegetable juice.

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

22 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
23 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

24 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

- 30 1. The name of the seller;
- 31 2. His residence address and the address of his
32 principal place of business and the address of the
33 principal place of business (if that is a different

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

3 3. Total amount of receipts received by him during
4 the preceding calendar month or quarter, as the case may
5 be, from sales of tangible personal property, and from
6 services furnished, by him during such preceding calendar
7 month or quarter;

8 4. Total amount received by him during the
9 preceding calendar month or quarter on charge and time
10 sales of tangible personal property, and from services
11 furnished, by him prior to the month or quarter for which
12 the return is filed;

13 5. Deductions allowed by law;

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

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

19 8. The amount of tax due;

20 9. The signature of the taxpayer; and

21 10. Such other reasonable information as the
22 Department may require.

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

27 Each return shall be accompanied by the statement of
28 prepaid tax issued pursuant to Section 2e for which credit is
29 claimed.

30 A retailer may accept a Manufacturer's Purchase Credit
31 certification from a purchaser in satisfaction of Use Tax as
32 provided in Section 3-85 of the Use Tax Act if the purchaser
33 provides the appropriate documentation as required by Section
34 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit

1 certification, accepted by a retailer as provided in Section
2 3-85 of the Use Tax Act, may be used by that retailer to
3 satisfy Retailers' Occupation Tax liability in the amount
4 claimed in the certification, not to exceed 6.25% of the
5 receipts subject to tax from a qualifying purchase.

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

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

28 If a total amount of less than \$1 is payable, refundable
29 or creditable, such amount shall be disregarded if it is less
30 than 50 cents and shall be increased to \$1 if it is 50 cents
31 or more.

32 Beginning October 1, 1993, a taxpayer who has an average
33 monthly tax liability of \$150,000 or more shall make all
34 payments required by rules of the Department by electronic

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

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

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

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

33 The Department shall adopt such rules as are necessary to
34 effectuate a program of electronic funds transfer and the

1 requirements of this Section.

2 Any amount which is required to be shown or reported on
3 any return or other document under this Act shall, if such
4 amount is not a whole-dollar amount, be increased to the
5 nearest whole-dollar amount in any case where the fractional
6 part of a dollar is 50 cents or more, and decreased to the
7 nearest whole-dollar amount where the fractional part of a
8 dollar is less than 50 cents.

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

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

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

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

1 month after discontinuing such business.

2 Where the same person has more than one business
3 registered with the Department under separate registrations
4 under this Act, such person may not file each return that is
5 due as a single return covering all such registered
6 businesses, but shall file separate returns for each such
7 registered business.

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

32 Any retailer who sells only motor vehicles, watercraft,
33 aircraft, or trailers that are required to be registered with
34 an agency of this State, so that all retailers' occupation

1 tax liability is required to be reported, and is reported, on
2 such transaction reporting returns and who is not otherwise
3 required to file monthly or quarterly returns, need not file
4 monthly or quarterly returns. However, those retailers shall
5 be required to file returns on an annual basis.

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

27 The transaction reporting return in the case of
28 watercraft or aircraft must show the name and address of the
29 seller; the name and address of the purchaser; the amount of
30 the selling price including the amount allowed by the
31 retailer for traded-in property, if any; the amount allowed
32 by the retailer for the traded-in tangible personal property,
33 if any, to the extent to which Section 1 of this Act allows
34 an exemption for the value of traded-in property; the balance

1 payable after deducting such trade-in allowance from the
2 total selling price; the amount of tax due from the retailer
3 with respect to such transaction; the amount of tax collected
4 from the purchaser by the retailer on such transaction (or
5 satisfactory evidence that such tax is not due in that
6 particular instance, if that is claimed to be the fact); the
7 place and date of the sale, a sufficient identification of
8 the property sold, and such other information as the
9 Department may reasonably require.

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

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

1 No retailer's failure or refusal to remit tax under this
2 Act precludes a user, who has paid the proper tax to the
3 retailer, from obtaining his certificate of title or other
4 evidence of title or registration (if titling or registration
5 is required) upon satisfying the Department that such user
6 has paid the proper tax (if tax is due) to the retailer. The
7 Department shall adopt appropriate rules to carry out the
8 mandate of this paragraph.

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

28 Refunds made by the seller during the preceding return
29 period to purchasers, on account of tangible personal
30 property returned to the seller, shall be allowed as a
31 deduction under subdivision 5 of his monthly or quarterly
32 return, as the case may be, in case the seller had
33 theretofore included the receipts from the sale of such
34 tangible personal property in a return filed by him and had

1 paid the tax imposed by this Act with respect to such
2 receipts.

3 Where the seller is a corporation, the return filed on
4 behalf of such corporation shall be signed by the president,
5 vice-president, secretary or treasurer or by the properly
6 accredited agent of such corporation.

7 Where the seller is a limited liability company, the
8 return filed on behalf of the limited liability company shall
9 be signed by a manager, member, or properly accredited agent
10 of the limited liability company.

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

27 Before October 1, 2000, if the taxpayer's average monthly
28 tax liability to the Department under this Act, the Use Tax
29 Act, the Service Occupation Tax Act, and the Service Use Tax
30 Act, excluding any liability for prepaid sales tax to be
31 remitted in accordance with Section 2d of this Act, was
32 \$10,000 or more during the preceding 4 complete calendar
33 quarters, he shall file a return with the Department each
34 month by the 20th day of the month next following the month

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

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

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

29 Without regard to whether a taxpayer is required to make
30 quarter monthly payments as specified above, any taxpayer who
31 is required by Section 2d of this Act to collect and remit
32 prepaid taxes and has collected prepaid taxes which average
33 in excess of \$25,000 per month during the preceding 2
34 complete calendar quarters, shall file a return with the

1 Department as required by Section 2f and shall make payments
2 to the Department on or before the 7th, 15th, 22nd and last
3 day of the month during which such liability is incurred. If
4 the month during which such tax liability is incurred began
5 prior to the effective date of this amendatory Act of 1985,
6 each payment shall be in an amount not less than 22.5% of the
7 taxpayer's actual liability under Section 2d. If the month
8 during which such tax liability is incurred begins on or
9 after January 1, 1986, each payment shall be in an amount
10 equal to 22.5% of the taxpayer's actual liability for the
11 month or 27.5% of the taxpayer's liability for the same
12 calendar month of the preceding calendar year. If the month
13 during which such tax liability is incurred begins on or
14 after January 1, 1987, each payment shall be in an amount
15 equal to 22.5% of the taxpayer's actual liability for the
16 month or 26.25% of the taxpayer's liability for the same
17 calendar month of the preceding year. The amount of such
18 quarter monthly payments shall be credited against the final
19 tax liability of the taxpayer's return for that month filed
20 under this Section or Section 2f, as the case may be. Once
21 applicable, the requirement of the making of quarter monthly
22 payments to the Department pursuant to this paragraph shall
23 continue until such taxpayer's average monthly prepaid tax
24 collections during the preceding 2 complete calendar quarters
25 is \$25,000 or less. If any such quarter monthly payment is
26 not paid at the time or in the amount required, the taxpayer
27 shall be liable for penalties and interest on such
28 difference, except insofar as the taxpayer has previously
29 made payments for that month in excess of the minimum
30 payments previously due.

31 If any payment provided for in this Section exceeds the
32 taxpayer's liabilities under this Act, the Use Tax Act, the
33 Service Occupation Tax Act and the Service Use Tax Act, as
34 shown on an original monthly return, the Department shall, if

1 requested by the taxpayer, issue to the taxpayer a credit
2 memorandum no later than 30 days after the date of payment.
3 The credit evidenced by such credit memorandum may be
4 assigned by the taxpayer to a similar taxpayer under this
5 Act, the Use Tax Act, the Service Occupation Tax Act or the
6 Service Use Tax Act, in accordance with reasonable rules and
7 regulations to be prescribed by the Department. If no such
8 request is made, the taxpayer may credit such excess payment
9 against tax liability subsequently to be remitted to the
10 Department under this Act, the Use Tax Act, the Service
11 Occupation Tax Act or the Service Use Tax Act, in accordance
12 with reasonable rules and regulations prescribed by the
13 Department. If the Department subsequently determined that
14 all or any part of the credit taken was not actually due to
15 the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount
16 shall be reduced by 2.1% or 1.75% of the difference between
17 the credit taken and that actually due, and that taxpayer
18 shall be liable for penalties and interest on such
19 difference.

20 If a retailer of motor fuel is entitled to a credit under
21 Section 2d of this Act which exceeds the taxpayer's liability
22 to the Department under this Act for the month which the
23 taxpayer is filing a return, the Department shall issue the
24 taxpayer a credit memorandum for the excess.

25 Beginning January 1, 1990, each month the Department
26 shall pay into the Local Government Tax Fund, a special fund
27 in the State treasury which is hereby created, the net
28 revenue realized for the preceding month from the 1% tax on
29 sales of food for human consumption which is to be consumed
30 off the premises where it is sold (other than alcoholic
31 beverages, soft drinks and food which has been prepared for
32 immediate consumption) and prescription and nonprescription
33 medicines, drugs, medical appliances and insulin, urine
34 testing 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, a
3 special fund in the State treasury which is hereby created,
4 4% of the net revenue realized for the preceding month from
5 the 6.25% general rate.

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

10 Beginning September 1, 2001, each month the Department
11 shall pay into the County and Mass Transit District Fund 20%
12 of the net revenue realized for the preceding month from the
13 1.25% rate on the selling price of energy efficient and home
14 weatherization products.

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

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

24 Beginning September 1, 2001, each month the Department
25 shall pay into the Local Government Tax Fund 80% of the net
26 revenue realized for the preceding month from the 1.25% rate
27 on the selling price of energy efficient and home
28 weatherization products.

29 Of the remainder of the moneys received by the Department
30 pursuant to this Act, (a) 1.75% thereof shall be paid into
31 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
32 and on and after July 1, 1989, 3.8% thereof shall be paid
33 into the Build Illinois Fund; provided, however, that if in
34 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,

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

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

25 and means the Certified Annual Debt Service Requirement (as
 26 defined in Section 13 of the Build Illinois Bond Act) or the
 27 Tax Act Amount, whichever is greater, for fiscal year 1994
 28 and each fiscal year thereafter; and further provided, that
 29 if on the last business day of any month the sum of (1) the
 30 Tax Act Amount required to be deposited into the Build
 31 Illinois Bond Account in the Build Illinois Fund during such
 32 month and (2) the amount transferred to the Build Illinois
 33 Fund from the State and Local Sales Tax Reform Fund shall
 34 have been less than 1/12 of the Annual Specified Amount, an

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

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

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

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

| | | |
|---|----------|-------------|
| 1 | 2007 | 108,000,000 |
| 2 | 2008 | 115,000,000 |
| 3 | 2009 | 120,000,000 |
| 4 | 2010 | 126,000,000 |
| 5 | 2011 | 132,000,000 |
| 6 | 2012 | 138,000,000 |
| 7 | 2013 and | 145,000,000 |

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

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

28 Subject to payment of amounts into the Build Illinois
29 Fund and the McCormick Place Expansion Project Fund pursuant
30 to the preceding paragraphs or in any amendment thereto
31 hereafter enacted, each month the Department shall pay into
32 the Local Government Distributive Fund 0.4% of the net
33 revenue realized for the preceding month from the 5% general
34 rate or 0.4% of 80% of the net revenue realized for the

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

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

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

25 The Department may, upon separate written notice to a
26 taxpayer, require the taxpayer to prepare and file with the
27 Department on a form prescribed by the Department within not
28 less than 60 days after receipt of the notice an annual
29 information return for the tax year specified in the notice.
30 Such annual return to the Department shall include a
31 statement of gross receipts as shown by the retailer's last
32 Federal income tax return. If the total receipts of the
33 business as reported in the Federal income tax return do not
34 agree with the gross receipts reported to the Department of

1 Revenue for the same period, the retailer shall attach to his
2 annual return a schedule showing a reconciliation of the 2
3 amounts and the reasons for the difference. The retailer's
4 annual return to the Department shall also disclose the cost
5 of goods sold by the retailer during the year covered by such
6 return, opening and closing inventories of such goods for
7 such year, costs of goods used from stock or taken from stock
8 and given away by the retailer during such year, payroll
9 information of the retailer's business during such year and
10 any additional reasonable information which the Department
11 deems would be helpful in determining the accuracy of the
12 monthly, quarterly or annual returns filed by such retailer
13 as provided for in this Section.

14 If the annual information return required by this Section
15 is not filed when and as required, the taxpayer shall be
16 liable as follows:

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

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

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

1 The provisions of this Section concerning the filing of
2 an annual information return do not apply to a retailer who
3 is not required to file an income tax return with the United
4 States Government.

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

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

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

24 Any person who promotes, organizes, provides retail
25 selling space for concessionaires or other types of sellers
26 at the Illinois State Fair, DuQuoin State Fair, county fairs,
27 local fairs, art shows, flea markets and similar exhibitions
28 or events, including any transient merchant as defined by
29 Section 2 of the Transient Merchant Act of 1987, is required
30 to file a report with the Department providing the name of
31 the merchant's business, the name of the person or persons
32 engaged in merchant's business, the permanent address and
33 Illinois Retailers Occupation Tax Registration Number of the
34 merchant, the dates and location of the event and other

1 reasonable information that the Department may require. The
2 report must be filed not later than the 20th day of the month
3 next following the month during which the event with retail
4 sales was held. Any person who fails to file a report
5 required by this Section commits a business offense and is
6 subject to a fine not to exceed \$250.

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

28 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
29 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
30 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
31 eff. 1-1-01; revised 1-15-01.)

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