

1 AN ACT in relation to taxes.

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

4 Section 5. The Use Tax Act is amended by changing
5 Section 3-85 as follows:

6 (35 ILCS 105/3-85)

7 Sec. 3-85. Manufacturer's Purchase Credit. For purchases
8 of machinery and equipment made on and after January 1, 1995,
9 a purchaser of manufacturing machinery and equipment that
10 qualifies for the exemption provided by paragraph (18) of
11 Section 3-5 of this Act earns a credit in an amount equal to
12 a fixed percentage of the tax which would have been incurred
13 under this Act on those purchases. For purchases of graphic
14 arts machinery and equipment made on or after July 1, 1996, a
15 purchaser of graphic arts machinery and equipment that
16 qualifies for the exemption provided by paragraph (6) of
17 Section 3-5 of this Act earns a credit in an amount equal to
18 a fixed percentage of the tax that would have been incurred
19 under this Act on those purchases. The credit earned for
20 purchases of manufacturing machinery and equipment or graphic
21 arts machinery and equipment shall be referred to as the
22 Manufacturer's Purchase Credit. A graphic arts producer is a
23 person engaged in graphic arts production as defined in
24 Section 2-30 of the Retailers' Occupation Tax Act. Beginning
25 July 1, 1996, all references in this Section to manufacturers
26 or manufacturing shall also be deemed to refer to graphic
27 arts producers or graphic arts production.

28 The amount of credit shall be a percentage of the tax
29 that would have been incurred on the purchase of
30 manufacturing machinery and equipment or graphic arts
31 machinery and equipment if the exemptions provided by

1 paragraph (6) or paragraph (18) of Section 3-5 of this Act
2 had not been applicable. The percentage shall be as follows:

3 (1) 15% for purchases made on or before June 30,
4 1995.

5 (2) 25% for purchases made after June 30, 1995, and
6 on or before June 30, 1996.

7 (3) 40% for purchases made after June 30, 1996, and
8 on or before June 30, 1997.

9 (4) 50% for purchases made on or after July 1, 1997
10 and on or before June 30, 2002.

11 (5) 0% for purchases made on or after July 1, 2002
12 and on or before June 30, 2003.

13 (6) 50% for purchases made on or after July 1,
14 2003.

15 A purchaser of production related tangible personal
16 property desiring to use the Manufacturer's Purchase Credit
17 shall certify to the seller that the purchaser is satisfying
18 all or part of the liability under the Use Tax Act or the
19 Service Use Tax Act that is due on the purchase of the
20 production related tangible personal property by use of
21 Manufacturer's Purchase Credit. The Manufacturer's Purchase
22 Credit certification must be dated and shall include the name
23 and address of the purchaser, the purchaser's registration
24 number, if registered, the credit being applied, and a
25 statement that the State Use Tax or Service Use Tax liability
26 is being satisfied with the manufacturer's or graphic arts
27 producer's accumulated purchase credit. Certification may be
28 incorporated into the manufacturer's or graphic arts
29 producer's purchase order. Manufacturer's Purchase Credit
30 certification by the manufacturer or graphic arts producer
31 may be used to satisfy the retailer's or serviceman's
32 liability under the Retailers' Occupation Tax Act or Service
33 Occupation Tax Act for the credit claimed, not to exceed
34 6.25% of the receipts subject to tax from a qualifying

1 purchase, but only if the retailer or serviceman reports the
2 Manufacturer's Purchase Credit claimed as required by the
3 Department. The Manufacturer's Purchase Credit earned by
4 purchase of exempt manufacturing machinery and equipment or
5 graphic arts machinery and equipment is a non-transferable
6 credit. A manufacturer or graphic arts producer that enters
7 into a contract involving the installation of tangible
8 personal property into real estate within a manufacturing or
9 graphic arts production facility may authorize a construction
10 contractor to utilize credit accumulated by the manufacturer
11 or graphic arts producer to purchase the tangible personal
12 property. A manufacturer or graphic arts producer intending
13 to use accumulated credit to purchase such tangible personal
14 property shall execute a written contract authorizing the
15 contractor to utilize a specified dollar amount of credit.
16 The contractor shall furnish the supplier with the
17 manufacturer's or graphic arts producer's name, registration
18 or resale number, and a statement that a specific amount of
19 the Use Tax or Service Use Tax liability, not to exceed 6.25%
20 of the selling price, is being satisfied with the credit. The
21 manufacturer or graphic arts producer shall remain liable to
22 timely report all information required by the annual Report
23 of Manufacturer's Purchase Credit Used for all credit
24 utilized by a construction contractor.

25 The Manufacturer's Purchase Credit may be used to satisfy
26 liability under the Use Tax Act or the Service Use Tax Act
27 due on the purchase of production related tangible personal
28 property (including purchases by a manufacturer, by a graphic
29 arts producer, or by a lessor who rents or leases the use of
30 the property to a manufacturer or graphic arts producer) that
31 does not otherwise qualify for the manufacturing machinery
32 and equipment exemption or the graphic arts machinery and
33 equipment exemption. "Production related tangible personal
34 property" means (i) all tangible personal property used or

1 consumed by the purchaser in a manufacturing facility in
2 which a manufacturing process described in Section 2-45 of
3 the Retailers' Occupation Tax Act takes place, including
4 tangible personal property purchased for incorporation into
5 real estate within a manufacturing facility and including,
6 but not limited to, tangible personal property used or
7 consumed in activities such as preproduction material
8 handling, receiving, quality control, inventory control,
9 storage, staging, and packaging for shipping and
10 transportation purposes; (ii) all tangible personal property
11 used or consumed by the purchaser in a graphic arts facility
12 in which graphic arts production as described in Section 2-30
13 of the Retailers' Occupation Tax Act takes place, including
14 tangible personal property purchased for incorporation into
15 real estate within a graphic arts facility and including, but
16 not limited to, all tangible personal property used or
17 consumed in activities such as graphic arts preliminary or
18 pre-press production, pre-production material handling,
19 receiving, quality control, inventory control, storage,
20 staging, sorting, labeling, mailing, tying, wrapping, and
21 packaging; and (iii) all tangible personal property used or
22 consumed by the purchaser for research and development.
23 "Production related tangible personal property" does not
24 include (i) tangible personal property used, within or
25 without a manufacturing facility, in sales, purchasing,
26 accounting, fiscal management, marketing, personnel
27 recruitment or selection, or landscaping or (ii) tangible
28 personal property required to be titled or registered with a
29 department, agency, or unit of federal, state, or local
30 government. The Manufacturer's Purchase Credit may be used
31 to satisfy the tax arising either from the purchase of
32 machinery and equipment on or after January 1, 1995 for which
33 the exemption provided by paragraph (18) of Section 3-5 of
34 this Act was erroneously claimed, or the purchase of

1 machinery and equipment on or after July 1, 1996 for which
2 the exemption provided by paragraph (6) of Section 3-5 of
3 this Act was erroneously claimed, but not in satisfaction of
4 penalty, if any, and interest for failure to pay the tax when
5 due. A purchaser of production related tangible personal
6 property who is required to pay Illinois Use Tax or Service
7 Use Tax on the purchase directly to the Department may
8 utilize the Manufacturer's Purchase Credit in satisfaction of
9 the tax arising from that purchase, but not in satisfaction
10 of penalty and interest. A purchaser who uses the
11 Manufacturer's Purchase Credit to purchase property which is
12 later determined not to be production related tangible
13 personal property may be liable for tax, penalty, and
14 interest on the purchase of that property as of the date of
15 purchase but shall be entitled to use the disallowed
16 Manufacturer's Purchase Credit, so long as it has not
17 expired, on qualifying purchases of production related
18 tangible personal property not previously subject to credit
19 usage. The Manufacturer's Purchase Credit earned by a
20 manufacturer or graphic arts producer expires the last day of
21 the second calendar year following the calendar year in which
22 the credit arose.

23 A purchaser earning Manufacturer's Purchase Credit shall
24 sign and file an annual Report of Manufacturer's Purchase
25 Credit Earned for each calendar year no later than the last
26 day of the sixth month following the calendar year in which a
27 Manufacturer's Purchase Credit is earned. A Report of
28 Manufacturer's Purchase Credit Earned shall be filed on forms
29 as prescribed or approved by the Department and shall state,
30 for each month of the calendar year: (i) the total purchase
31 price of all purchases of exempt manufacturing or graphic
32 arts machinery on which the credit was earned; (ii) the total
33 State Use Tax or Service Use Tax which would have been due on
34 those items; (iii) the percentage used to calculate the

1 amount of credit earned; (iv) the amount of credit earned;
2 and (v) such other information as the Department may
3 reasonably require. A purchaser earning Manufacturer's
4 Purchase Credit shall maintain records which identify, as to
5 each purchase of manufacturing or graphic arts machinery and
6 equipment on which the purchaser earned Manufacturer's
7 Purchase Credit, the vendor (including, if applicable, either
8 the vendor's registration number or Federal Employer
9 Identification Number), the purchase price, and the amount of
10 Manufacturer's Purchase Credit earned on each purchase.

11 A purchaser using Manufacturer's Purchase Credit shall
12 sign and file an annual Report of Manufacturer's Purchase
13 Credit Used for each calendar year no later than the last day
14 of the sixth month following the calendar year in which a
15 Manufacturer's Purchase Credit is used. A Report of
16 Manufacturer's Purchase Credit Used shall be filed on forms
17 as prescribed or approved by the Department and shall state,
18 for each month of the calendar year: (i) the total purchase
19 price of production related tangible personal property
20 purchased from Illinois suppliers; (ii) the total purchase
21 price of production related tangible personal property
22 purchased from out-of-state suppliers; (iii) the total amount
23 of credit used during such month; and (iv) such other
24 information as the Department may reasonably require. A
25 purchaser using Manufacturer's Purchase Credit shall maintain
26 records that identify, as to each purchase of production
27 related tangible personal property on which the purchaser
28 used Manufacturer's Purchase Credit, the vendor (including,
29 if applicable, either the vendor's registration number or
30 Federal Employer Identification Number), the purchase price,
31 and the amount of Manufacturer's Purchase Credit used on each
32 purchase.

33 No annual report shall be filed before May 1, 1996. A
34 purchaser that fails to file an annual Report of

1 Manufacturer's Purchase Credit Earned or an annual Report of
2 Manufacturer's Purchase Credit Used by the last day of the
3 sixth month following the end of the calendar year shall
4 forfeit all Manufacturer's Purchase Credit for that calendar
5 year unless it establishes that its failure to file was due
6 to reasonable cause. Manufacturer's Purchase Credit reports
7 may be amended to report and claim credit on qualifying
8 purchases not previously reported at any time before the
9 credit would have expired, unless both the Department and the
10 purchaser have agreed to an extension of the statute of
11 limitations for the issuance of a notice of tax liability as
12 provided in Section 4 of the Retailers' Occupation Tax Act.
13 If the time for assessment or refund has been extended, then
14 amended reports for a calendar year may be filed at any time
15 prior to the date to which the statute of limitations for the
16 calendar year or portion thereof has been extended. No
17 Manufacturer's Purchase Credit report filed with the
18 Department for periods prior to January 1, 1995 shall be
19 approved. Manufacturer's Purchase Credit claimed on an
20 amended report may be used to satisfy tax liability under the
21 Use Tax Act or the Service Use Tax Act (i) on qualifying
22 purchases of production related tangible personal property
23 made after the date the amended report is filed or (ii)
24 assessed by the Department on qualifying purchases of
25 production related tangible personal property made in the
26 case of manufacturers on or after January 1, 1995, or in the
27 case of graphic arts producers on or after July 1, 1996.

28 If the purchaser is not the manufacturer or a graphic
29 arts producer, but rents or leases the use of the property to
30 a manufacturer or graphic arts producer, the purchaser may
31 earn, report, and use Manufacturer's Purchase Credit in the
32 same manner as a manufacturer or graphic arts producer.

33 A purchaser shall not be entitled to any Manufacturer's
34 Purchase Credit for a purchase that is required to be

1 reported and is not timely reported as provided in this
2 Section. A purchaser remains liable for (i) any tax that was
3 satisfied by use of a Manufacturer's Purchase Credit, as of
4 the date of purchase, if that use is not timely reported as
5 required in this Section and (ii) for any applicable
6 penalties and interest for failing to pay the tax when due.
7 (Source: P.A. 88-547, eff. 6-30-94; 89-89, eff. 6-30-95;
8 89-235, eff. 8-4-95; 89-531, eff. 7-19-96.)

9 Section 10. The Service Use Tax Act is amended by
10 changing Section 3-70 as follows:

11 (35 ILCS 110/3-70)

12 Sec. 3-70. Manufacturer's Purchase Credit. For purchases
13 of machinery and equipment made on and after January 1, 1995,
14 a purchaser of manufacturing machinery and equipment that
15 qualifies for the exemption provided by Section 2 of this Act
16 earns a credit in an amount equal to a fixed percentage of
17 the tax which would have been incurred under this Act on
18 those purchases. For purchases of graphic arts machinery and
19 equipment made on or after July 1, 1996, a purchase of
20 graphic arts machinery and equipment that qualifies for the
21 exemption provided by paragraph (5) of Section 3-5 of this
22 Act earns a credit in an amount equal to a fixed percentage
23 of the tax that would have been incurred under this Act on
24 those purchases. The credit earned for the purchase of
25 manufacturing machinery and equipment and graphic arts
26 machinery and equipment shall be referred to as the
27 Manufacturer's Purchase Credit. A graphic arts producer is a
28 person engaged in graphic arts production as defined in
29 Section 3-30 of the Service Occupation Tax Act. Beginning
30 July 1, 1996, all references in this Section to manufacturers
31 or manufacturing shall also refer to graphic arts producers
32 or graphic arts production.

1 The amount of credit shall be a percentage of the tax
2 that would have been incurred on the purchase of the
3 manufacturing machinery and equipment or graphic arts
4 machinery and equipment if the exemptions provided by Section
5 2 or paragraph (5) of Section 3-5 of this Act had not been
6 applicable.

7 All purchases of manufacturing machinery and equipment
8 and graphic arts machinery and equipment that qualify for the
9 exemptions provided by paragraph (5) of Section 2 or
10 paragraph (5) of Section 3-5 of this Act qualify for the
11 credit without regard to whether the serviceman elected, or
12 could have elected, under paragraph (7) of Section 2 of this
13 Act to exclude the transaction from this Act. If the
14 serviceman's billing to the service customer separately
15 states a selling price for the exempt manufacturing machinery
16 or equipment or the exempt graphic arts machinery and
17 equipment, the credit shall be calculated, as otherwise
18 provided herein, based on that selling price. If the
19 serviceman's billing does not separately state a selling
20 price for the exempt manufacturing machinery and equipment or
21 the exempt graphic arts machinery and equipment, the credit
22 shall be calculated, as otherwise provided herein, based on
23 50% of the entire billing. If the serviceman contracts to
24 design, develop, and produce special order manufacturing
25 machinery and equipment or special order graphic arts
26 machinery and equipment, and the billing does not separately
27 state a selling price for such special order machinery and
28 equipment, the credit shall be calculated, as otherwise
29 provided herein, based on 50% of the entire billing. The
30 provisions of this paragraph are effective for purchases made
31 on or after January 1, 1995.

32 The percentage shall be as follows:

- 33 (1) 15% for purchases made on or before June 30,
34 1995.

1 (2) 25% for purchases made after June 30, 1995, and
2 on or before June 30, 1996.

3 (3) 40% for purchases made after June 30, 1996, and
4 on or before June 30, 1997.

5 (4) 50% for purchases made on or after July 1, 1997
6 and on or before June 30, 2002.

7 (5) 0% for purchases made on or after July 1, 2002
8 and on or before June 30, 2003.

9 (6) 50% for purchases made on or after July 1,
10 2003.

11 A purchaser of production related tangible personal
12 property desiring to use the Manufacturer's Purchase Credit
13 shall certify to the seller that the purchaser is satisfying
14 all or part of the liability under the Use Tax Act or the
15 Service Use Tax Act that is due on the purchase of the
16 production related tangible personal property by use of a
17 Manufacturer's Purchase Credit. The Manufacturer's Purchase
18 Credit certification must be dated and shall include the name
19 and address of the purchaser, the purchaser's registration
20 number, if registered, the credit being applied, and a
21 statement that the State Use Tax or Service Use Tax liability
22 is being satisfied with the manufacturer's or graphic arts
23 producer's accumulated purchase credit. Certification may be
24 incorporated into the manufacturer's or graphic arts
25 producer's purchase order. Manufacturer's Purchase Credit
26 certification by the manufacturer or graphic arts producer
27 may be used to satisfy the retailer's or serviceman's
28 liability under the Retailers' Occupation Tax Act or Service
29 Occupation Tax Act for the credit claimed, not to exceed
30 6.25% of the receipts subject to tax from a qualifying
31 purchase, but only if the retailer or serviceman reports the
32 Manufacturer's Purchase Credit claimed as required by the
33 Department. The Manufacturer's Purchase Credit earned by
34 purchase of exempt manufacturing machinery and equipment or

1 graphic arts machinery and equipment is a non-transferable
2 credit. A manufacturer or graphic arts producer that enters
3 into a contract involving the installation of tangible
4 personal property into real estate within a manufacturing or
5 graphic arts production facility may authorize a construction
6 contractor to utilize credit accumulated by the manufacturer
7 or graphic arts producer to purchase the tangible personal
8 property. A manufacturer or graphic arts producer intending
9 to use accumulated credit to purchase such tangible personal
10 property shall execute a written contract authorizing the
11 contractor to utilize a specified dollar amount of credit.
12 The contractor shall furnish the supplier with the
13 manufacturer's or graphic arts producer's name, registration
14 or resale number, and a statement that a specific amount of
15 the Use Tax or Service Use Tax liability, not to exceed 6.25%
16 of the selling price, is being satisfied with the credit. The
17 manufacturer or graphic arts producer shall remain liable to
18 timely report all information required by the annual Report
19 of Manufacturer's Purchase Credit Used for credit utilized by
20 a construction contractor.

21 The Manufacturer's Purchase Credit may be used to satisfy
22 liability under the Use Tax Act or the Service Use Tax Act
23 due on the purchase of production related tangible personal
24 property (including purchases by a manufacturer, by a graphic
25 arts producer, or a lessor who rents or leases the use of the
26 property to a manufacturer or graphic arts producer) that
27 does not otherwise qualify for the manufacturing machinery
28 and equipment exemption or the graphic arts machinery and
29 equipment exemption. "Production related tangible personal
30 property" means (i) all tangible personal property used or
31 consumed by the purchaser in a manufacturing facility in
32 which a manufacturing process described in Section 2-45 of
33 the Retailers' Occupation Tax Act takes place, including
34 tangible personal property purchased for incorporation into

1 real estate within a manufacturing facility and including,
2 but not limited to, tangible personal property used or
3 consumed in activities such as pre-production material
4 handling, receiving, quality control, inventory control,
5 storage, staging, and packaging for shipping and
6 transportation purposes; (ii) all tangible personal property
7 used or consumed by the purchaser in a graphic arts facility
8 in which graphic arts production as described in Section 2-30
9 of the Retailers' Occupation Tax Act takes place, including
10 tangible personal property purchased for incorporation into
11 real estate within a graphic arts facility and including, but
12 not limited to, all tangible personal property used or
13 consumed in activities such as graphic arts preliminary or
14 pre-press production, pre-production material handling,
15 receiving, quality control, inventory control, storage,
16 staging, sorting, labeling, mailing, tying, wrapping, and
17 packaging; and (iii) all tangible personal property used or
18 consumed by the purchaser for research and development.
19 "Production related tangible personal property" does not
20 include (i) tangible personal property used, within or
21 without a manufacturing or graphic arts facility, in sales,
22 purchasing, accounting, fiscal management, marketing,
23 personnel recruitment or selection, or landscaping or (ii)
24 tangible personal property required to be titled or
25 registered with a department, agency, or unit of federal,
26 state, or local government. The Manufacturer's Purchase
27 Credit may be used to satisfy the tax arising either from the
28 purchase of machinery and equipment on or after January 1,
29 1995 for which the manufacturing machinery and equipment
30 exemption provided by Section 2 of this Act was erroneously
31 claimed, or the purchase of machinery and equipment on or
32 after July 1, 1996 for which the exemption provided by
33 paragraph (5) of Section 3-5 of this Act was erroneously
34 claimed, but not in satisfaction of penalty, if any, and

1 interest for failure to pay the tax when due. A purchaser of
2 production related tangible personal property who is required
3 to pay Illinois Use Tax or Service Use Tax on the purchase
4 directly to the Department may utilize the Manufacturer's
5 Purchase Credit in satisfaction of the tax arising from that
6 purchase, but not in satisfaction of penalty and interest. A
7 purchaser who uses the Manufacturer's Purchase Credit to
8 purchase property which is later determined not to be
9 production related tangible personal property may be liable
10 for tax, penalty, and interest on the purchase of that
11 property as of the date of purchase but shall be entitled to
12 use the disallowed Manufacturer's Purchase Credit, so long as
13 it has not expired, on qualifying purchases of production
14 related tangible personal property not previously subject to
15 credit usage. The Manufacturer's Purchase Credit earned by a
16 manufacturer or graphic arts producer expires the last day of
17 the second calendar year following the calendar year in which
18 the credit arose.

19 A purchaser earning Manufacturer's Purchase Credit shall
20 sign and file an annual Report of Manufacturer's Purchase
21 Credit Earned for each calendar year no later than the last
22 day of the sixth month following the calendar year in which a
23 Manufacturer's Purchase Credit is earned. A Report of
24 Manufacturer's Purchase Credit Earned shall be filed on forms
25 as prescribed or approved by the Department and shall state,
26 for each month of the calendar year: (i) the total purchase
27 price of all purchases of exempt manufacturing or graphic
28 arts machinery on which the credit was earned; (ii) the total
29 State Use Tax or Service Use Tax which would have been due on
30 those items; (iii) the percentage used to calculate the
31 amount of credit earned; (iv) the amount of credit earned;
32 and (v) such other information as the Department may
33 reasonably require. A purchaser earning Manufacturer's
34 Purchase Credit shall maintain records which identify, as to

1 each purchase of manufacturing or graphic arts machinery and
2 equipment on which the purchaser earned Manufacturer's
3 Purchase Credit, the vendor (including, if applicable, either
4 the vendor's registration number or Federal Employer
5 Identification Number), the purchase price, and the amount of
6 Manufacturer's Purchase Credit earned on each purchase.

7 A purchaser using Manufacturer's Purchase Credit shall
8 sign and file an annual Report of Manufacturer's Purchase
9 Credit Used for each calendar year no later than the last day
10 of the sixth month following the calendar year in which a
11 Manufacturer's Purchase Credit is used. A Report of
12 Manufacturer's Purchase Credit Used shall be filed on forms
13 as prescribed or approved by the Department and shall state,
14 for each month of the calendar year: (i) the total purchase
15 price of production related tangible personal property
16 purchased from Illinois suppliers; (ii) the total purchase
17 price of production related tangible personal property
18 purchased from out-of-state suppliers; (iii) the total amount
19 of credit used during such month; and (iv) such other
20 information as the Department may reasonably require. A
21 purchaser using Manufacturer's Purchase Credit shall maintain
22 records that identify, as to each purchase of production
23 related tangible personal property on which the purchaser
24 used Manufacturer's Purchase Credit, the vendor (including,
25 if applicable, either the vendor's registration number or
26 Federal Employer Identification Number), the purchase price,
27 and the amount of Manufacturer's Purchase Credit used on each
28 purchase.

29 No annual report shall be filed before May 1, 1996. A
30 purchaser that fails to file an annual Report of
31 Manufacturer's Purchase Credit Earned or an annual Report of
32 Manufacturer's Purchase Credit Used by the last day of the
33 sixth month following the end of the calendar year shall
34 forfeit all Manufacturer's Purchase Credit for that calendar

1 year unless it establishes that its failure to file was due
2 to reasonable cause. Manufacturer's Purchase Credit reports
3 may be amended to report and claim credit on qualifying
4 purchases not previously reported at any time before the
5 credit would have expired, unless both the Department and the
6 purchaser have agreed to an extension of the statute of
7 limitations for the issuance of a notice of tax liability as
8 provided in Section 4 of the Retailers' Occupation Tax Act.
9 If the time for assessment or refund has been extended, then
10 amended reports for a calendar year may be filed at any time
11 prior to the date to which the statute of limitations for the
12 calendar year or portion thereof has been extended. No
13 Manufacturer's Purchase Credit report filed with the
14 Department for periods prior to January 1, 1995 shall be
15 approved. Manufacturer's Purchase Credit claimed on an
16 amended report may be used to satisfy tax liability under the
17 Use Tax Act or the Service Use Tax Act (i) on qualifying
18 purchases of production related tangible personal property
19 made after the date the amended report is filed or (ii)
20 assessed by the Department on qualifying purchases of
21 production related tangible personal property made in the
22 case of manufacturers on or after January 1, 1995, or in the
23 case of graphic arts producers on or after July 1, 1996.

24 If the purchaser is not the manufacturer or a graphic
25 arts producer, but rents or leases the use of the property to
26 a manufacturer or a graphic arts producer, the purchaser may
27 earn, report, and use Manufacturer's Purchase Credit in the
28 same manner as a manufacturer or graphic arts producer.

29 A purchaser shall not be entitled to any Manufacturer's
30 Purchase Credit for a purchase that is required to be
31 reported and is not timely reported as provided in this
32 Section. A purchaser remains liable for (i) any tax that was
33 satisfied by use of a Manufacturer's Purchase Credit, as of
34 the date of purchase, if that use is not timely reported as

1 required in this Section and (ii) for any applicable
2 penalties and interest for failing to pay the tax when due.

3 (Source: P.A. 89-89, eff. 6-30-95; 89-235, eff. 8-4-95;
4 89-531, eff. 7-19-96; 90-166, eff. 7-23-97.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.