



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3600

by Rep. LaToya Greenwood

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Reduces the rate of tax on diapers and baby wipes to 1% (currently, 6.25%). Makes changes concerning the distribution of the proceeds from the tax imposed on diapers and baby wipes.

LRB100 09169 HLH 19324 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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 Sections
5 3-10 and 9 as follows:

6 (35 ILCS 105/3-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 either the selling price or the fair market value, if any, of
10 the tangible personal property. In all cases where property
11 functionally used or consumed is the same as the property that
12 was purchased at retail, then the tax is imposed on the selling
13 price of the property. In all cases where property functionally
14 used or consumed is a by-product or waste product that has been
15 refined, manufactured, or produced from property purchased at
16 retail, then the tax is imposed on the lower of the fair market
17 value, if any, of the specific property so used in this State
18 or on the selling price of the property purchased at retail.
19 For purposes of this Section "fair market value" means the
20 price at which property would change hands between a willing
21 buyer and a willing seller, neither being under any compulsion
22 to buy or sell and both having reasonable knowledge of the
23 relevant facts. The fair market value shall be established by

1 Illinois sales by the taxpayer of the same property as that
2 functionally used or consumed, or if there are no such sales by
3 the taxpayer, then comparable sales or purchases of property of
4 like kind and character in Illinois.

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

9 Beginning on August 6, 2010 through August 15, 2010, with
10 respect to sales tax holiday items as defined in Section 3-6 of
11 this Act, the tax is imposed at the rate of 1.25%.

12 With respect to gasohol, the tax imposed by this Act
13 applies to (i) 70% of the proceeds of sales made on or after
14 January 1, 1990, and before July 1, 2003, (ii) 80% of the
15 proceeds of sales made on or after July 1, 2003 and on or
16 before December 31, 2018, and (iii) 100% of the proceeds of
17 sales made thereafter. If, at any time, however, the tax under
18 this Act on sales of gasohol is imposed at the rate of 1.25%,
19 then the tax imposed by this Act applies to 100% of the
20 proceeds of sales of gasohol made during that time.

21 With respect to majority blended ethanol fuel, the tax
22 imposed by this Act does not apply to the proceeds of sales
23 made on or after July 1, 2003 and on or before December 31,
24 2018 but applies to 100% of the proceeds of sales made
25 thereafter.

26 With respect to biodiesel blends with no less than 1% and

1 no more than 10% biodiesel, the tax imposed by this Act applies
2 to (i) 80% of the proceeds of sales made on or after July 1,
3 2003 and on or before December 31, 2018 and (ii) 100% of the
4 proceeds of sales made thereafter. If, at any time, however,
5 the tax under this Act on sales of biodiesel blends with no
6 less than 1% and no more than 10% biodiesel is imposed at the
7 rate of 1.25%, then the tax imposed by this Act applies to 100%
8 of the proceeds of sales of biodiesel blends with no less than
9 1% and no more than 10% biodiesel made during that time.

10 With respect to 100% biodiesel and biodiesel blends with
11 more than 10% but no more than 99% biodiesel, the tax imposed
12 by this Act does not apply to the proceeds of sales made on or
13 after July 1, 2003 and on or before December 31, 2018 but
14 applies to 100% of the proceeds of sales made thereafter.

15 With respect to food for human consumption that is to be
16 consumed off the premises where it is sold (other than
17 alcoholic beverages, soft drinks, and food that has been
18 prepared for immediate consumption) and prescription and
19 nonprescription medicines, drugs, medical appliances, products
20 classified as Class III medical devices by the United States
21 Food and Drug Administration that are used for cancer treatment
22 pursuant to a prescription, as well as any accessories and
23 components related to those devices, modifications to a motor
24 vehicle for the purpose of rendering it usable by a person with
25 a disability, diapers, baby wipes, and insulin, urine testing
26 materials, syringes, and needles used by diabetics, for human

1 use, the tax is imposed at the rate of 1%. For the purposes of
2 this Section, until September 1, 2009: the term "soft drinks"
3 means any complete, finished, ready-to-use, non-alcoholic
4 drink, whether carbonated or not, including but not limited to
5 soda water, cola, fruit juice, vegetable juice, carbonated
6 water, and all other preparations commonly known as soft drinks
7 of whatever kind or description that are contained in any
8 closed or sealed bottle, can, carton, or container, regardless
9 of size; but "soft drinks" does not include coffee, tea,
10 non-carbonated water, infant formula, milk or milk products as
11 defined in the Grade A Pasteurized Milk and Milk Products Act,
12 or drinks containing 50% or more natural fruit or vegetable
13 juice.

14 Notwithstanding any other provisions of this Act,
15 beginning September 1, 2009, "soft drinks" means non-alcoholic
16 beverages that contain natural or artificial sweeteners. "Soft
17 drinks" do not include beverages that contain milk or milk
18 products, soy, rice or similar milk substitutes, or greater
19 than 50% of vegetable or fruit juice by volume.

20 Until August 1, 2009, and notwithstanding any other
21 provisions of this Act, "food for human consumption that is to
22 be consumed off the premises where it is sold" includes all
23 food sold through a vending machine, except soft drinks and
24 food products that are dispensed hot from a vending machine,
25 regardless of the location of the vending machine. Beginning
26 August 1, 2009, and notwithstanding any other provisions of

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

6 Notwithstanding any other provisions of this Act,
7 beginning September 1, 2009, "food for human consumption that
8 is to be consumed off the premises where it is sold" does not
9 include candy. For purposes of this Section, "candy" means a
10 preparation of sugar, honey, or other natural or artificial
11 sweeteners in combination with chocolate, fruits, nuts or other
12 ingredients or flavorings in the form of bars, drops, or
13 pieces. "Candy" does not include any preparation that contains
14 flour or requires refrigeration.

15 Notwithstanding any other provisions of this Act,
16 beginning September 1, 2009, "nonprescription medicines and
17 drugs" does not include grooming and hygiene products. For
18 purposes of this Section, "grooming and hygiene products"
19 includes, but is not limited to, soaps and cleaning solutions,
20 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
21 lotions and screens, unless those products are available by
22 prescription only, regardless of whether the products meet the
23 definition of "over-the-counter-drugs". For the purposes of
24 this paragraph, "over-the-counter-drug" means a drug for human
25 use that contains a label that identifies the product as a drug
26 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"

1 label includes:

2 (A) A "Drug Facts" panel; or

3 (B) A statement of the "active ingredient(s)" with a
4 list of those ingredients contained in the compound,
5 substance or preparation.

6 Beginning on the effective date of this amendatory Act of
7 the 98th General Assembly, "prescription and nonprescription
8 medicines and drugs" includes medical cannabis purchased from a
9 registered dispensing organization under the Compassionate Use
10 of Medical Cannabis Pilot Program Act.

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

18 (Source: P.A. 98-122, eff. 1-1-14; 99-143, eff. 7-27-15;
19 99-858, eff. 8-19-16.)

20 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

21 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
22 and trailers that are required to be registered with an agency
23 of this State, each retailer required or authorized to collect
24 the tax imposed by this Act shall pay to the Department the
25 amount of such tax (except as otherwise provided) at the time

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

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

1 each tax return period, only the tax applicable to that part of
2 the selling price actually received during such tax return
3 period.

4 Except as provided in this Section, on or before the
5 twentieth day of each calendar month, such retailer shall file
6 a return for the preceding calendar month. Such return shall be
7 filed on forms prescribed by the Department and shall furnish
8 such information as the Department may reasonably require.

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

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

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

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

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

1 State and local occupation and use tax laws administered by the
2 Department, for the immediately preceding calendar year
3 divided by 12. Beginning on October 1, 2002, a taxpayer who has
4 a tax liability in the amount set forth in subsection (b) of
5 Section 2505-210 of the Department of Revenue Law shall make
6 all payments required by rules of the Department by electronic
7 funds transfer.

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

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

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

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

23 Before October 1, 2000, if the taxpayer's average monthly
24 tax liability to the Department under this Act, the Retailers'
25 Occupation Tax Act, the Service Occupation Tax Act, the Service
26 Use Tax Act was \$10,000 or more during the preceding 4 complete

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

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

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

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

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

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

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

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

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

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

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

15 In addition, with respect to motor vehicles, watercraft,
16 aircraft, and trailers that are required to be registered with
17 an agency of this State, every retailer selling this kind of
18 tangible personal property shall file, with the Department,
19 upon a form to be prescribed and supplied by the Department, a
20 separate return for each such item of tangible personal
21 property which the retailer sells, except that if, in the same
22 transaction, (i) a retailer of aircraft, watercraft, motor
23 vehicles or trailers transfers more than one aircraft,
24 watercraft, motor vehicle or trailer to another aircraft,
25 watercraft, motor vehicle or trailer retailer for the purpose
26 of resale or (ii) a retailer of aircraft, watercraft, motor

1 vehicles, or trailers transfers more than one aircraft,
2 watercraft, motor vehicle, or trailer to a purchaser for use as
3 a qualifying rolling stock as provided in Section 3-55 of this
4 Act, then that seller may report the transfer of all the
5 aircraft, watercraft, motor vehicles or trailers involved in
6 that transaction to the Department on the same uniform
7 invoice-transaction reporting return form. For purposes of
8 this Section, "watercraft" means a Class 2, Class 3, or Class 4
9 watercraft as defined in Section 3-2 of the Boat Registration
10 and Safety Act, a personal watercraft, or any boat equipped
11 with an inboard motor.

12 The transaction reporting return in the case of motor
13 vehicles or trailers that are required to be registered with an
14 agency of this State, shall be the same document as the Uniform
15 Invoice referred to in Section 5-402 of the Illinois Vehicle
16 Code and must show the name and address of the seller; the name
17 and address of the purchaser; the amount of the selling price
18 including the amount allowed by the retailer for traded-in
19 property, if any; the amount allowed by the retailer for the
20 traded-in tangible personal property, if any, to the extent to
21 which Section 2 of this Act allows an exemption for the value
22 of traded-in property; the balance payable after deducting such
23 trade-in allowance from the total selling price; the amount of
24 tax due from the retailer with respect to such transaction; the
25 amount of tax collected from the purchaser by the retailer on
26 such transaction (or satisfactory evidence that such tax is not

1 due in that particular instance, if that is claimed to be the
2 fact); the place and date of the sale; a sufficient
3 identification of the property sold; such other information as
4 is required in Section 5-402 of the Illinois Vehicle Code, and
5 such other information as the Department may reasonably
6 require.

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

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

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

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

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

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

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

22 Where a retailer collects the tax with respect to the
23 selling price of tangible personal property which he sells and
24 the purchaser thereafter returns such tangible personal
25 property and the retailer refunds the selling price thereof to
26 the purchaser, such retailer shall also refund, to the

1 purchaser, the tax so collected from the purchaser. When filing
2 his return for the period in which he refunds such tax to the
3 purchaser, the retailer may deduct the amount of the tax so
4 refunded by him to the purchaser from any other use tax which
5 such retailer may be required to pay or remit to the
6 Department, as shown by such return, if the amount of the tax
7 to be deducted was previously remitted to the Department by
8 such retailer. If the retailer has not previously remitted the
9 amount of such tax to the Department, he is entitled to no
10 deduction under this Act upon refunding such tax to the
11 purchaser.

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

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

26 Where the retailer has more than one business registered

1 with the Department under separate registration under this Act,
2 such retailer may not file each return that is due as a single
3 return covering all such registered businesses, but shall file
4 separate returns for each such registered business.

5 Beginning January 1, 1990, each month the Department shall
6 pay into the State and Local Sales Tax Reform Fund, a special
7 fund in the State Treasury which is hereby created, the net
8 revenue realized for the preceding month from the 1% tax on
9 sales of food for human consumption which is to be consumed off
10 the premises where it is sold (other than alcoholic beverages,
11 soft drinks and food which has been prepared for immediate
12 consumption) and prescription and nonprescription medicines,
13 drugs, medical appliances, products classified as Class III
14 medical devices by the United States Food and Drug
15 Administration that are used for cancer treatment pursuant to a
16 prescription, as well as any accessories and components related
17 to those devices, diapers, baby wipes, and insulin, urine
18 testing materials, syringes and needles used by diabetics.

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

26 Beginning January 1, 1990, each month the Department shall

1 pay into the State and Local Sales Tax Reform Fund, a special
2 fund in the State Treasury, 20% of the net revenue realized for
3 the preceding month from the 6.25% general rate on the selling
4 price of tangible personal property, other than tangible
5 personal property which is purchased outside Illinois at retail
6 from a retailer and which is titled or registered by an agency
7 of this State's government.

8 Beginning August 1, 2000, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund 100% of the
10 net revenue realized for the preceding month from the 1.25%
11 rate on the selling price of motor fuel and gasohol. Beginning
12 September 1, 2010, each month the Department shall pay into the
13 State and Local Sales Tax Reform Fund 100% of the net revenue
14 realized for the preceding month from the 1.25% rate on the
15 selling price of sales tax holiday items.

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

23 Beginning October 1, 2009, each month the Department shall
24 pay into the Capital Projects Fund an amount that is equal to
25 an amount estimated by the Department to represent 80% of the
26 net revenue realized for the preceding month from the sale of

1 candy, grooming and hygiene products, and soft drinks that had
2 been taxed at a rate of 1% prior to September 1, 2009 but that
3 are now taxed at 6.25%.

4 Beginning July 1, 2011, each month the Department shall pay
5 into the Clean Air Act Permit Fund 80% of the net revenue
6 realized for the preceding month from the 6.25% general rate on
7 the selling price of sorbents used in Illinois in the process
8 of sorbent injection as used to comply with the Environmental
9 Protection Act or the federal Clean Air Act, but the total
10 payment into the Clean Air Act Permit Fund under this Act and
11 the Retailers' Occupation Tax Act shall not exceed \$2,000,000
12 in any fiscal year.

13 Beginning July 1, 2013, each month the Department shall pay
14 into the Underground Storage Tank Fund from the proceeds
15 collected under this Act, the Service Use Tax Act, the Service
16 Occupation Tax Act, and the Retailers' Occupation Tax Act an
17 amount equal to the average monthly deficit in the Underground
18 Storage Tank Fund during the prior year, as certified annually
19 by the Illinois Environmental Protection Agency, but the total
20 payment into the Underground Storage Tank Fund under this Act,
21 the Service Use Tax Act, the Service Occupation Tax Act, and
22 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
23 in any State fiscal year. As used in this paragraph, the
24 "average monthly deficit" shall be equal to the difference
25 between the average monthly claims for payment by the fund and
26 the average monthly revenues deposited into the fund, excluding

1 payments made pursuant to this paragraph.

2 Beginning July 1, 2015, of the remainder of the moneys
3 received by the Department under this Act, the Service Use Tax
4 Act, the Service Occupation Tax Act, and the Retailers'
5 Occupation Tax Act, each month the Department shall deposit
6 \$500,000 into the State Crime Laboratory Fund.

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

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

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

20 Subject to payment of amounts into the Build Illinois Fund
21 as provided in the preceding paragraph or in any amendment
22 thereto hereafter enacted, the following specified monthly
23 installment of the amount requested in the certificate of the
24 Chairman of the Metropolitan Pier and Exposition Authority
25 provided under Section 8.25f of the State Finance Act, but not
26 in excess of the sums designated as "Total Deposit", shall be

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

6	Fiscal Year	Total Deposit
7	1993	\$0
8	1994	53,000,000
9	1995	58,000,000
10	1996	61,000,000
11	1997	64,000,000
12	1998	68,000,000
13	1999	71,000,000
14	2000	75,000,000
15	2001	80,000,000
16	2002	93,000,000
17	2003	99,000,000
18	2004	103,000,000
19	2005	108,000,000
20	2006	113,000,000
21	2007	119,000,000
22	2008	126,000,000
23	2009	132,000,000
24	2010	139,000,000
25	2011	146,000,000
26	2012	153,000,000

1	2013	161,000,000
2	2014	170,000,000
3	2015	179,000,000
4	2016	189,000,000
5	2017	199,000,000
6	2018	210,000,000
7	2019	221,000,000
8	2020	233,000,000
9	2021	246,000,000
10	2022	260,000,000
11	2023	275,000,000
12	2024	275,000,000
13	2025	275,000,000
14	2026	279,000,000
15	2027	292,000,000
16	2028	307,000,000
17	2029	322,000,000
18	2030	338,000,000
19	2031	350,000,000
20	2032	350,000,000

21 and
22 each fiscal year
23 thereafter that bonds
24 are outstanding under
25 Section 13.2 of the
26 Metropolitan Pier and

1 Exposition Authority Act,
2 but not after fiscal year 2060.

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, but
14 not in excess of the amount specified above as "Total Deposit",
15 has been deposited.

16 Subject to payment of amounts into the Build Illinois Fund
17 and the McCormick Place Expansion Project Fund pursuant to the
18 preceding paragraphs or in any amendments thereto hereafter
19 enacted, beginning July 1, 1993 and ending on September 30,
20 2013, the Department shall each month pay into the Illinois Tax
21 Increment Fund 0.27% of 80% of the net revenue realized for the
22 preceding month from the 6.25% general rate on the selling
23 price of tangible personal property.

24 Subject to payment of amounts into the Build Illinois Fund
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, beginning with the receipt of the first report of
2 taxes paid by an eligible business and continuing for a 25-year
3 period, the Department shall each month pay into the Energy
4 Infrastructure Fund 80% of the net revenue realized from the
5 6.25% general rate on the selling price of Illinois-mined coal
6 that was sold to an eligible business. For purposes of this
7 paragraph, the term "eligible business" means a new electric
8 generating facility certified pursuant to Section 605-332 of
9 the Department of Commerce and Economic Opportunity Law of the
10 Civil Administrative Code of Illinois.

11 Subject to payment of amounts into the Build Illinois Fund,
12 the McCormick Place Expansion Project Fund, the Illinois Tax
13 Increment Fund, and the Energy Infrastructure Fund pursuant to
14 the preceding paragraphs or in any amendments to this Section
15 hereafter enacted, beginning on the first day of the first
16 calendar month to occur on or after August 26, 2014 (the
17 effective date of Public Act 98-1098) ~~this amendatory Act of~~
18 ~~the 98th General Assembly~~, each month, from the collections
19 made under Section 9 of the Use Tax Act, Section 9 of the
20 Service Use Tax Act, Section 9 of the Service Occupation Tax
21 Act, and Section 3 of the Retailers' Occupation Tax Act, the
22 Department shall pay into the Tax Compliance and Administration
23 Fund, to be used, subject to appropriation, to fund additional
24 auditors and compliance personnel at the Department of Revenue,
25 an amount equal to 1/12 of 5% of 80% of the cash receipts
26 collected during the preceding fiscal year by the Audit Bureau

1 of the Department under the Use Tax Act, the Service Use Tax
2 Act, the Service Occupation Tax Act, the Retailers' Occupation
3 Tax Act, and associated local occupation and use taxes
4 administered by the Department.

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

11 As soon as possible after the first day of each month, upon
12 certification of the Department of Revenue, the Comptroller
13 shall order transferred and the Treasurer shall transfer from
14 the General Revenue Fund to the Motor Fuel Tax Fund an amount
15 equal to 1.7% of 80% of the net revenue realized under this Act
16 for the second preceding month. Beginning April 1, 2000, this
17 transfer is no longer required 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 For greater simplicity of administration, manufacturers,
23 importers and wholesalers whose products are sold at retail in
24 Illinois by numerous retailers, and who wish to do so, may
25 assume the responsibility for accounting and paying to the
26 Department all tax accruing under this Act with respect to such

1 sales, if the retailers who are affected do not make written
2 objection to the Department to this arrangement.

3 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
4 98-496, eff. 1-1-14; 98-756, eff. 7-16-14; 98-1098, eff.
5 8-26-14; 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933,
6 eff. 1-27-17; revised 2-3-17.)

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

9 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

10 Sec. 3-10. Rate of tax. Unless otherwise provided in this
11 Section, the tax imposed by this Act is at the rate of 6.25% of
12 the selling price of tangible personal property transferred as
13 an incident to the sale of service, but, for the purpose of
14 computing this tax, in no event shall the selling price be less
15 than the cost price of the property to 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 of
19 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, the
21 tax imposed by this Act applies to (i) 70% of the selling price
22 of property transferred as an incident to the sale of service
23 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
24 of the selling price of property transferred as an incident to

1 the sale of service on or after July 1, 2003 and on or before
2 December 31, 2018, and (iii) 100% of the selling price
3 thereafter. If, at any time, however, the tax under this Act on
4 sales of gasohol, as defined in the Use Tax Act, is imposed at
5 the rate of 1.25%, then the tax imposed by this Act applies to
6 100% of the proceeds of sales of gasohol made during that time.

7 With respect to majority blended ethanol fuel, as defined
8 in the Use Tax Act, the tax imposed by this Act does not apply
9 to the selling price of property transferred as an incident to
10 the sale of service on or after July 1, 2003 and on or before
11 December 31, 2018 but applies to 100% of the selling price
12 thereafter.

13 With respect to biodiesel blends, as defined in the Use Tax
14 Act, with no less than 1% and no more than 10% biodiesel, the
15 tax imposed by this Act applies to (i) 80% of the selling price
16 of property transferred as an incident to the sale of service
17 on or after July 1, 2003 and on or before December 31, 2018 and
18 (ii) 100% of the proceeds of the selling price thereafter. If,
19 at any time, however, the tax under this Act on sales of
20 biodiesel blends, as defined in the Use Tax Act, with no less
21 than 1% and no more than 10% biodiesel is imposed at the rate
22 of 1.25%, then the tax imposed by this Act applies to 100% of
23 the proceeds of sales of biodiesel blends with no less than 1%
24 and no more than 10% biodiesel made during that time.

25 With respect to 100% biodiesel, as defined in the Use Tax
26 Act, and biodiesel blends, as defined in the Use Tax Act, with

1 more than 10% but no more than 99% biodiesel, the tax imposed
2 by this Act does not apply to the proceeds of the selling price
3 of property transferred as an incident to the sale of service
4 on or after July 1, 2003 and on or before December 31, 2018 but
5 applies to 100% of the selling price thereafter.

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

16 The tax shall be imposed at the rate of 1% on food prepared
17 for immediate consumption and transferred incident to a sale of
18 service subject to this Act or the Service Occupation Tax Act
19 by an entity licensed under the Hospital Licensing Act, the
20 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD
21 Act, the Specialized Mental Health Rehabilitation Act of 2013,
22 or the Child Care Act of 1969. The tax shall also be imposed at
23 the rate of 1% on food for human consumption that is to be
24 consumed off the premises where it is sold (other than
25 alcoholic beverages, soft drinks, and food that has been
26 prepared for immediate consumption and is not otherwise

1 included in this paragraph) and prescription and
2 nonprescription medicines, drugs, medical appliances, products
3 classified as Class III medical devices by the United States
4 Food and Drug Administration that are used for cancer treatment
5 pursuant to a prescription, as well as any accessories and
6 components related to those devices, modifications to a motor
7 vehicle for the purpose of rendering it usable by a person with
8 a disability, diapers, baby wipes, and insulin, urine testing
9 materials, syringes, and needles used by diabetics, for human
10 use. For the purposes of this Section, until September 1, 2009:
11 the term "soft drinks" means any complete, finished,
12 ready-to-use, non-alcoholic drink, whether carbonated or not,
13 including but not limited to soda water, cola, fruit juice,
14 vegetable juice, carbonated water, and all other preparations
15 commonly known as soft drinks of whatever kind or description
16 that are contained in any closed or sealed bottle, can, carton,
17 or container, regardless of size; but "soft drinks" does not
18 include coffee, tea, non-carbonated water, infant formula,
19 milk or milk products as defined in the Grade A Pasteurized
20 Milk and Milk Products Act, or drinks containing 50% or more
21 natural fruit or vegetable juice.

22 Notwithstanding any other provisions of this Act,
23 beginning September 1, 2009, "soft drinks" means non-alcoholic
24 beverages that contain natural or artificial sweeteners. "Soft
25 drinks" do not include beverages that contain milk or milk
26 products, soy, rice or similar milk substitutes, or greater

1 than 50% of vegetable or fruit juice by volume.

2 Until August 1, 2009, and notwithstanding any other
3 provisions of this Act, "food for human consumption that is to
4 be consumed off the premises where it is sold" includes all
5 food sold through a vending machine, except soft drinks and
6 food products that are dispensed hot from a vending machine,
7 regardless of the location of the vending machine. Beginning
8 August 1, 2009, and notwithstanding any other provisions of
9 this Act, "food for human consumption that is to be consumed
10 off the premises where it is sold" includes all food sold
11 through a vending machine, except soft drinks, candy, and food
12 products that are dispensed hot from a vending machine,
13 regardless of the location of the vending machine.

14 Notwithstanding any other provisions of this Act,
15 beginning September 1, 2009, "food for human consumption that
16 is to be consumed off the premises where it is sold" does not
17 include candy. For purposes of this Section, "candy" means a
18 preparation of sugar, honey, or other natural or artificial
19 sweeteners in combination with chocolate, fruits, nuts or other
20 ingredients or flavorings in the form of bars, drops, or
21 pieces. "Candy" does not include any preparation that contains
22 flour or requires refrigeration.

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "nonprescription medicines and
25 drugs" does not include grooming and hygiene products. For
26 purposes of this Section, "grooming and hygiene products"

1 includes, but is not limited to, soaps and cleaning solutions,
2 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
3 lotions and screens, unless those products are available by
4 prescription only, regardless of whether the products meet the
5 definition of "over-the-counter-drugs". For the purposes of
6 this paragraph, "over-the-counter-drug" means a drug for human
7 use that contains a label that identifies the product as a drug
8 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
9 label includes:

10 (A) A "Drug Facts" panel; or

11 (B) A statement of the "active ingredient(s)" with a
12 list of those ingredients contained in the compound,
13 substance or preparation.

14 Beginning on January 1, 2014 (the effective date of Public
15 Act 98-122), "prescription and nonprescription medicines and
16 drugs" includes medical cannabis purchased from a registered
17 dispensing organization under the Compassionate Use of Medical
18 Cannabis Pilot Program Act.

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

26 (Source: P.A. 98-104, eff. 7-22-13; 98-122, eff. 1-1-14;

1 98-756, eff. 7-16-14; 99-143, eff. 7-27-15; 99-180, eff.
2 7-29-15; 99-642, eff. 7-28-16; 99-858, eff. 8-19-16.)

3 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

22 Except as provided hereinafter in this Section, on or
23 before the twentieth day of each calendar month, such
24 serviceman shall file a return for the preceding calendar month
25 in accordance with reasonable Rules and Regulations to be

1 promulgated by the Department. Such return shall be filed on a
2 form prescribed by the Department and shall contain such
3 information as the Department may reasonably require.

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

11 1. The name of the seller;

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

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

18 4. The amount of credit provided in Section 2d of this
19 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 Department
23 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 be

1 due on the return shall be deemed assessed.

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 has
6 an average monthly tax liability of \$100,000 or more shall make
7 all payments required by rules of the Department by electronic
8 funds transfer. Beginning October 1, 1995, a taxpayer who has
9 an average monthly tax liability of \$50,000 or more shall make
10 all payments required by rules of the Department by electronic
11 funds transfer. Beginning October 1, 2000, a taxpayer who has
12 an annual tax liability of \$200,000 or more shall make all
13 payments required by rules of the Department by electronic
14 funds transfer. The term "annual tax liability" shall be the
15 sum of the taxpayer's liabilities under this Act, and under all
16 other State and local occupation and use tax laws administered
17 by the Department, for the immediately preceding calendar year.
18 The term "average monthly tax liability" means the sum of the
19 taxpayer's liabilities under this Act, and under all other
20 State and local occupation and use tax laws administered by the
21 Department, for the immediately preceding calendar year
22 divided by 12. Beginning on October 1, 2002, a taxpayer who has
23 a tax liability in the amount set forth in subsection (b) of
24 Section 2505-210 of the Department of Revenue Law shall make
25 all payments required by rules of the Department by electronic
26 funds transfer.

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

6 Any taxpayer not required to make payments by electronic
7 funds transfer may make payments by electronic funds transfer
8 with the permission of the Department.

9 All taxpayers required to make payment by electronic funds
10 transfer and any taxpayers authorized to voluntarily make
11 payments by electronic funds transfer shall make those payments
12 in the manner authorized by the Department.

13 The Department shall adopt such rules as are necessary to
14 effectuate a program of electronic funds transfer and the
15 requirements of this Section.

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

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

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

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

17 Where a serviceman collects the tax with respect to the
18 selling price of property which he sells and the purchaser
19 thereafter returns such property and the serviceman refunds the
20 selling price thereof to the purchaser, such serviceman shall
21 also refund, to the purchaser, the tax so collected from the
22 purchaser. When filing his return for the period in which he
23 refunds such tax to the purchaser, the serviceman may deduct
24 the amount of the tax so refunded by him to the purchaser from
25 any other Service Use Tax, Service Occupation Tax, retailers'
26 occupation tax or use tax which such serviceman may be required

1 to pay or remit to the Department, as shown by such return,
2 provided that the amount of the tax to be deducted shall
3 previously have been remitted to the Department by such
4 serviceman. If the serviceman shall not previously have
5 remitted the amount of such tax to the Department, he shall be
6 entitled to no deduction hereunder upon refunding such tax to
7 the purchaser.

8 Any serviceman filing a return hereunder shall also include
9 the total tax upon the selling price of tangible personal
10 property purchased for use by him as an incident to a sale of
11 service, and such serviceman shall remit the amount of such tax
12 to the Department when filing such return.

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

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

24 Beginning January 1, 1990, each month the Department shall
25 pay into the State and Local Tax Reform Fund, a special fund in
26 the State Treasury, the net revenue realized for the preceding

1 month from the 1% tax on sales of food for human consumption
2 which is to be consumed off the premises where it is sold
3 (other than alcoholic beverages, soft drinks and food which has
4 been prepared for immediate consumption) and prescription and
5 nonprescription medicines, drugs, medical appliances, products
6 classified as Class III medical devices, by the United States
7 Food and Drug Administration that are used for cancer treatment
8 pursuant to a prescription, as well as any accessories and
9 components related to those devices, diapers, baby wipes, and
10 insulin, urine testing materials, syringes and needles used by
11 diabetics.

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

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

23 Beginning October 1, 2009, each month the Department shall
24 pay into the Capital Projects Fund an amount that is equal to
25 an amount estimated by the Department to represent 80% of the
26 net revenue realized for the preceding month from the sale of

1 candy, grooming and hygiene products, and soft drinks that had
2 been taxed at a rate of 1% prior to September 1, 2009 but that
3 are now taxed at 6.25%.

4 Beginning July 1, 2013, each month the Department shall pay
5 into the Underground Storage Tank Fund from the proceeds
6 collected under this Act, the Use Tax Act, the Service
7 Occupation Tax Act, and the Retailers' Occupation Tax Act an
8 amount equal to the average monthly deficit in the Underground
9 Storage Tank Fund during the prior year, as certified annually
10 by the Illinois Environmental Protection Agency, but the total
11 payment into the Underground Storage Tank Fund under this Act,
12 the Use Tax Act, the Service Occupation Tax Act, and the
13 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
14 any State fiscal year. As used in this paragraph, the "average
15 monthly deficit" shall be equal to the difference between the
16 average monthly claims for payment by the fund and the average
17 monthly revenues deposited into the fund, excluding payments
18 made pursuant to this paragraph.

19 Beginning July 1, 2015, of the remainder of the moneys
20 received by the Department under the Use Tax Act, this Act, the
21 Service Occupation Tax Act, and the Retailers' Occupation Tax
22 Act, each month the Department shall deposit \$500,000 into the
23 State Crime Laboratory Fund.

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

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

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

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

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

23	Fiscal Year	Total
		Deposit
24	1993	\$0
25	1994	53,000,000

1	1995	58,000,000
2	1996	61,000,000
3	1997	64,000,000
4	1998	68,000,000
5	1999	71,000,000
6	2000	75,000,000
7	2001	80,000,000
8	2002	93,000,000
9	2003	99,000,000
10	2004	103,000,000
11	2005	108,000,000
12	2006	113,000,000
13	2007	119,000,000
14	2008	126,000,000
15	2009	132,000,000
16	2010	139,000,000
17	2011	146,000,000
18	2012	153,000,000
19	2013	161,000,000
20	2014	170,000,000
21	2015	179,000,000
22	2016	189,000,000
23	2017	199,000,000
24	2018	210,000,000
25	2019	221,000,000
26	2020	233,000,000

1	2021	246,000,000
2	2022	260,000,000
3	2023	275,000,000
4	2024	275,000,000
5	2025	275,000,000
6	2026	279,000,000
7	2027	292,000,000
8	2028	307,000,000
9	2029	322,000,000
10	2030	338,000,000
11	2031	350,000,000
12	2032	350,000,000

13 and
14 each fiscal year
15 thereafter that bonds
16 are outstanding under
17 Section 13.2 of the
18 Metropolitan Pier and
19 Exposition Authority Act,
20 but not after fiscal year 2060.

21 Beginning July 20, 1993 and in each month of each fiscal
22 year thereafter, one-eighth of the amount requested in the
23 certificate of the Chairman of the Metropolitan Pier and
24 Exposition Authority for that fiscal year, less the amount
25 deposited into the McCormick Place Expansion Project Fund by
26 the State Treasurer in the respective month under subsection

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

8 Subject to payment of amounts into the Build Illinois Fund
9 and the McCormick Place Expansion Project Fund pursuant to the
10 preceding paragraphs or in any amendments thereto hereafter
11 enacted, beginning July 1, 1993 and ending on September 30,
12 2013, the Department shall each month pay into the Illinois Tax
13 Increment Fund 0.27% of 80% of the net revenue realized for the
14 preceding month from the 6.25% general rate on the selling
15 price of tangible personal property.

16 Subject to payment of amounts into the Build Illinois Fund
17 and the McCormick Place Expansion Project Fund pursuant to the
18 preceding paragraphs or in any amendments thereto hereafter
19 enacted, beginning with the receipt of the first report of
20 taxes paid by an eligible business and continuing for a 25-year
21 period, the Department shall each month pay into the Energy
22 Infrastructure Fund 80% of the net revenue realized from the
23 6.25% general rate on the selling price of Illinois-mined coal
24 that was sold to an eligible business. For purposes of this
25 paragraph, the term "eligible business" means a new electric
26 generating facility certified pursuant to Section 605-332 of

1 the Department of Commerce and Economic Opportunity Law of the
2 Civil Administrative Code of Illinois.

3 Subject to payment of amounts into the Build Illinois Fund,
4 the McCormick Place Expansion Project Fund, the Illinois Tax
5 Increment Fund, and the Energy Infrastructure Fund pursuant to
6 the preceding paragraphs or in any amendments to this Section
7 hereafter enacted, beginning on the first day of the first
8 calendar month to occur on or after the effective date of this
9 amendatory Act of the 98th General Assembly, each month, from
10 the collections made under Section 9 of the Use Tax Act,
11 Section 9 of the Service Use Tax Act, Section 9 of the Service
12 Occupation Tax Act, and Section 3 of the Retailers' Occupation
13 Tax Act, the Department shall pay into the Tax Compliance and
14 Administration Fund, to be used, subject to appropriation, to
15 fund additional auditors and compliance personnel at the
16 Department of Revenue, an amount equal to $\frac{1}{12}$ of 5% of 80% of
17 the cash receipts collected during the preceding fiscal year by
18 the Audit Bureau of the Department under the Use Tax Act, the
19 Service Use Tax Act, the Service Occupation Tax Act, the
20 Retailers' Occupation Tax Act, and associated local occupation
21 and use taxes administered by the Department.

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

1 General Revenue Fund in accordance with Section 8a of the State
2 Finance Act.

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

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

14 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
15 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;
16 98-1098, eff. 8-26-14; 99-352, eff. 8-12-15; 99-858, eff.
17 8-19-16.)

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

20 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

21 Sec. 3-10. Rate of tax. Unless otherwise provided in this
22 Section, the tax imposed by this Act is at the rate of 6.25% of
23 the "selling price", as defined in Section 2 of the Service Use
24 Tax Act, of the tangible personal property. For the purpose of

1 computing this tax, in no event shall the "selling price" be
2 less than the cost price to the serviceman of the tangible
3 personal property transferred. The selling price of each item
4 of tangible personal property transferred as an incident of a
5 sale of service may be shown as a distinct and separate item on
6 the serviceman's billing to the service customer. If the
7 selling price is not so shown, the selling price of the
8 tangible personal property is deemed to be 50% of the
9 serviceman's entire billing to the service customer. When,
10 however, a serviceman contracts to design, develop, and produce
11 special order machinery or equipment, the tax imposed by this
12 Act shall be based on the serviceman's cost price of the
13 tangible personal property transferred incident to the
14 completion of the contract.

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

19 With respect to gasohol, as defined in the Use Tax Act, the
20 tax imposed by this Act shall apply to (i) 70% of the cost
21 price of property transferred as an incident to the sale of
22 service on or after January 1, 1990, and before July 1, 2003,
23 (ii) 80% of the selling price of property transferred as an
24 incident to the sale of service on or after July 1, 2003 and on
25 or before December 31, 2018, and (iii) 100% of the cost price
26 thereafter. If, at any time, however, the tax under this Act on

1 sales of gasohol, as defined in the Use Tax Act, is imposed at
2 the rate of 1.25%, then the tax imposed by this Act applies to
3 100% of the proceeds of sales of gasohol made during that time.

4 With respect to majority blended ethanol fuel, as defined
5 in the Use Tax Act, the tax imposed by this Act does not apply
6 to the selling price of property transferred as an incident to
7 the sale of service on or after July 1, 2003 and on or before
8 December 31, 2018 but applies to 100% of the selling price
9 thereafter.

10 With respect to biodiesel blends, as defined in the Use Tax
11 Act, with no less than 1% and no more than 10% biodiesel, the
12 tax imposed by this Act applies to (i) 80% of the selling price
13 of property transferred as an incident to the sale of service
14 on or after July 1, 2003 and on or before December 31, 2018 and
15 (ii) 100% of the proceeds of the selling price thereafter. If,
16 at any time, however, the tax under this Act on sales of
17 biodiesel blends, as defined in the Use Tax Act, with no less
18 than 1% and no more than 10% biodiesel is imposed at the rate
19 of 1.25%, then the tax imposed by this Act applies to 100% of
20 the proceeds of sales of biodiesel blends with no less than 1%
21 and no more than 10% biodiesel made during that time.

22 With respect to 100% biodiesel, as defined in the Use Tax
23 Act, and biodiesel blends, as defined in the Use Tax Act, with
24 more than 10% but no more than 99% biodiesel material, the tax
25 imposed by this Act does not apply to the proceeds of the
26 selling price of property transferred as an incident to the

1 sale of service on or after July 1, 2003 and on or before
2 December 31, 2018 but applies to 100% of the selling price
3 thereafter.

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

14 The tax shall be imposed at the rate of 1% on food prepared
15 for immediate consumption and transferred incident to a sale of
16 service subject to this Act or the Service Occupation Tax Act
17 by an entity licensed under the Hospital Licensing Act, the
18 Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD
19 Act, the Specialized Mental Health Rehabilitation Act of 2013,
20 or the Child Care Act of 1969. The tax shall also be imposed at
21 the rate of 1% on food for human consumption that is to be
22 consumed off the premises where it is sold (other than
23 alcoholic beverages, soft drinks, and food that has been
24 prepared for immediate consumption and is not otherwise
25 included in this paragraph) and prescription and
26 nonprescription medicines, drugs, medical appliances, products

1 classified as Class III medical devices by the United States
2 Food and Drug Administration that are used for cancer treatment
3 pursuant to a prescription, as well as any accessories and
4 components related to those devices, modifications to a motor
5 vehicle for the purpose of rendering it usable by a person with
6 a disability, diapers, baby wipes, and insulin, urine testing
7 materials, syringes, and needles used by diabetics, for human
8 use. For the purposes of this Section, until September 1, 2009:
9 the term "soft drinks" means any complete, finished,
10 ready-to-use, non-alcoholic drink, whether carbonated or not,
11 including but not limited to soda water, cola, fruit juice,
12 vegetable juice, carbonated water, and all other preparations
13 commonly known as soft drinks of whatever kind or description
14 that are contained in any closed or sealed can, carton, or
15 container, regardless of size; but "soft drinks" does not
16 include coffee, tea, non-carbonated water, infant formula,
17 milk or milk products as defined in the Grade A Pasteurized
18 Milk and Milk Products Act, or drinks containing 50% or more
19 natural fruit or vegetable juice.

20 Notwithstanding any other provisions of this Act,
21 beginning September 1, 2009, "soft drinks" means non-alcoholic
22 beverages that contain natural or artificial sweeteners. "Soft
23 drinks" do not include beverages that contain milk or milk
24 products, soy, rice or similar milk substitutes, or greater
25 than 50% of vegetable or fruit juice by volume.

26 Until August 1, 2009, and notwithstanding any other

1 provisions of this Act, "food for human consumption that is to
2 be consumed off the premises where it is sold" includes all
3 food sold through a vending machine, except soft drinks and
4 food products that are dispensed hot from a vending machine,
5 regardless of the location of the vending machine. Beginning
6 August 1, 2009, and notwithstanding any other provisions of
7 this Act, "food for human consumption that is to be consumed
8 off the premises where it is sold" includes all food sold
9 through a vending machine, except soft drinks, candy, and food
10 products that are dispensed hot from a vending machine,
11 regardless of the location of the vending machine.

12 Notwithstanding any other provisions of this Act,
13 beginning September 1, 2009, "food for human consumption that
14 is to be consumed off the premises where it is sold" does not
15 include candy. For purposes of this Section, "candy" means a
16 preparation of sugar, honey, or other natural or artificial
17 sweeteners in combination with chocolate, fruits, nuts or other
18 ingredients or flavorings in the form of bars, drops, or
19 pieces. "Candy" does not include any preparation that contains
20 flour or requires refrigeration.

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "nonprescription medicines and
23 drugs" does not include grooming and hygiene products. For
24 purposes of this Section, "grooming and hygiene products"
25 includes, but is not limited to, soaps and cleaning solutions,
26 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan

1 lotions and screens, unless those products are available by
2 prescription only, regardless of whether the products meet the
3 definition of "over-the-counter-drugs". For the purposes of
4 this paragraph, "over-the-counter-drug" means a drug for human
5 use that contains a label that identifies the product as a drug
6 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
7 label includes:

8 (A) A "Drug Facts" panel; or

9 (B) A statement of the "active ingredient(s)" with a
10 list of those ingredients contained in the compound,
11 substance or preparation.

12 Beginning on January 1, 2014 (the effective date of Public
13 Act 98-122), "prescription and nonprescription medicines and
14 drugs" includes medical cannabis purchased from a registered
15 dispensing organization under the Compassionate Use of Medical
16 Cannabis Pilot Program Act.

17 (Source: P.A. 98-104, eff. 7-22-13; 98-122, eff. 1-1-14;
18 98-756, eff. 7-16-14; 99-143, eff. 7-27-15; 99-180, eff.
19 7-29-15; 99-642, eff. 7-28-16; 99-858, eff. 8-19-16.)

20 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

21 Sec. 9. Each serviceman required or authorized to collect
22 the tax herein imposed shall pay to the Department the amount
23 of such tax at the time when he is required to file his return
24 for the period during which such tax was collectible, less a
25 discount of 2.1% prior to January 1, 1990, and 1.75% on and

1 after January 1, 1990, or \$5 per calendar year, whichever is
2 greater, which is allowed to reimburse the serviceman for
3 expenses incurred in collecting the tax, keeping records,
4 preparing and filing returns, remitting the tax and supplying
5 data to the Department on request. The Department may disallow
6 the discount for servicemen whose certificate of registration
7 is revoked at the time the return is filed, but only if the
8 Department's decision to revoke the certificate of
9 registration has become final.

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

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

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

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

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

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

23 Prior to October 1, 2003, and on and after September 1,
24 2004 a serviceman may accept a Manufacturer's Purchase Credit
25 certification from a purchaser in satisfaction of Service Use
26 Tax as provided in Section 3-70 of the Service Use Tax Act if

1 the purchaser provides the appropriate documentation as
2 required by Section 3-70 of the Service Use Tax Act. A
3 Manufacturer's Purchase Credit certification, accepted prior
4 to October 1, 2003 or on or after September 1, 2004 by a
5 serviceman as provided in Section 3-70 of the Service Use Tax
6 Act, may be used by that serviceman to satisfy Service
7 Occupation Tax liability in the amount claimed in the
8 certification, not to exceed 6.25% of the receipts subject to
9 tax from a qualifying purchase. A Manufacturer's Purchase
10 Credit reported on any original or amended return filed under
11 this Act after October 20, 2003 for reporting periods prior to
12 September 1, 2004 shall be disallowed. Manufacturer's Purchase
13 Credit reported on annual returns due on or after January 1,
14 2005 will be disallowed for periods prior to September 1, 2004.
15 No Manufacturer's Purchase Credit may be used after September
16 30, 2003 through August 31, 2004 to satisfy any tax liability
17 imposed under this Act, including any audit liability.

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

1 January 20 of the following year.

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

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

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

16 Beginning October 1, 1993, a taxpayer who has an average
17 monthly tax liability of \$150,000 or more shall make all
18 payments required by rules of the Department by electronic
19 funds transfer. Beginning October 1, 1994, a taxpayer who has
20 an average monthly tax liability of \$100,000 or more shall make
21 all payments required by rules of the Department by electronic
22 funds transfer. Beginning October 1, 1995, a taxpayer who has
23 an average monthly tax liability of \$50,000 or more shall make
24 all payments required by rules of the Department by electronic
25 funds transfer. Beginning October 1, 2000, a taxpayer who has
26 an annual tax liability of \$200,000 or more shall make all

1 payments required by rules of the Department by electronic
2 funds transfer. The term "annual tax liability" shall be the
3 sum of the taxpayer's liabilities under this Act, and under all
4 other State and local occupation and use tax laws administered
5 by the Department, for the immediately preceding calendar year.
6 The term "average monthly tax liability" means the sum of the
7 taxpayer's liabilities under this Act, and under all other
8 State and local occupation and use tax laws administered by the
9 Department, for the immediately preceding calendar year
10 divided by 12. Beginning on October 1, 2002, a taxpayer who has
11 a tax liability in the amount set forth in subsection (b) of
12 Section 2505-210 of the Department of Revenue Law shall make
13 all payments required by rules of the Department by electronic
14 funds transfer.

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

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

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

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

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

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

1 form.

2 Where the serviceman has more than one business registered
3 with the Department under separate registrations hereunder,
4 such serviceman shall file separate returns for each registered
5 business.

6 Beginning January 1, 1990, each month the Department shall
7 pay into the Local Government Tax Fund the revenue realized for
8 the preceding month from the 1% tax on sales of food for human
9 consumption which is to be consumed off the premises where it
10 is sold (other than alcoholic beverages, soft drinks and food
11 which has been prepared for immediate consumption) and
12 prescription and nonprescription medicines, drugs, medical
13 appliances, products classified as Class III medical devices by
14 the United States Food and Drug Administration that are used
15 for cancer treatment pursuant to a prescription, as well as any
16 accessories and components related to those devices, diapers,
17 baby wipes, and insulin, urine testing materials, syringes and
18 needles used by diabetics.

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

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

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

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

9 Beginning October 1, 2009, each month the Department shall
10 pay into the Capital Projects Fund an amount that is equal to
11 an amount estimated by the Department to represent 80% of the
12 net revenue realized for the preceding month from the sale of
13 candy, grooming and hygiene products, and soft drinks that had
14 been taxed at a rate of 1% prior to September 1, 2009 but that
15 are now taxed at 6.25%.

16 Beginning July 1, 2013, each month the Department shall pay
17 into the Underground Storage Tank Fund from the proceeds
18 collected under this Act, the Use Tax Act, the Service Use Tax
19 Act, and the Retailers' Occupation Tax Act an amount equal to
20 the average monthly deficit in the Underground Storage Tank
21 Fund during the prior year, as certified annually by the
22 Illinois Environmental Protection Agency, but the total
23 payment into the Underground Storage Tank Fund under this Act,
24 the Use Tax Act, the Service Use Tax Act, and the Retailers'
25 Occupation Tax Act shall not exceed \$18,000,000 in any State
26 fiscal year. As used in this paragraph, the "average monthly

1 deficit" shall be equal to the difference between the average
2 monthly claims for payment by the fund and the average monthly
3 revenues deposited into the fund, excluding payments made
4 pursuant to this paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys
6 received by the Department under the Use Tax Act, the Service
7 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,
8 each month the Department shall deposit \$500,000 into the State
9 Crime Laboratory Fund.

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

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

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

23 Subject to payment of amounts into the Build Illinois Fund
24 as provided in the preceding paragraph or in any amendment
25 thereto hereafter enacted, the following specified monthly
26 installment of the amount requested in the certificate of the

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

		Total
	Fiscal Year	Deposit
9		
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000
20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000

1	2009	132,000,000
2	2010	139,000,000
3	2011	146,000,000
4	2012	153,000,000
5	2013	161,000,000
6	2014	170,000,000
7	2015	179,000,000
8	2016	189,000,000
9	2017	199,000,000
10	2018	210,000,000
11	2019	221,000,000
12	2020	233,000,000
13	2021	246,000,000
14	2022	260,000,000
15	2023	275,000,000
16	2024	275,000,000
17	2025	275,000,000
18	2026	279,000,000
19	2027	292,000,000
20	2028	307,000,000
21	2029	322,000,000
22	2030	338,000,000
23	2031	350,000,000
24	2032	350,000,000
25	and	
26	each fiscal year	

1 thereafter that bonds
2 are outstanding under
3 Section 13.2 of the
4 Metropolitan Pier and
5 Exposition Authority Act,
6 but not after fiscal year 2060.

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

20 Subject to payment of amounts into the Build Illinois Fund
21 and the McCormick Place Expansion Project Fund pursuant to the
22 preceding paragraphs or in any amendments thereto hereafter
23 enacted, beginning July 1, 1993 and ending on September 30,
24 2013, the Department shall each month pay into the Illinois Tax
25 Increment Fund 0.27% of 80% of the net revenue realized for the
26 preceding month from the 6.25% general rate on the selling

1 price of tangible personal property.

2 Subject to payment of amounts into the Build Illinois Fund
3 and the McCormick Place Expansion Project Fund pursuant to the
4 preceding paragraphs or in any amendments thereto hereafter
5 enacted, beginning with the receipt of the first report of
6 taxes paid by an eligible business and continuing for a 25-year
7 period, the Department shall each month pay into the Energy
8 Infrastructure Fund 80% of the net revenue realized from the
9 6.25% general rate on the selling price of Illinois-mined coal
10 that was sold to an eligible business. For purposes of this
11 paragraph, the term "eligible business" means a new electric
12 generating facility certified pursuant to Section 605-332 of
13 the Department of Commerce and Economic Opportunity Law of the
14 Civil Administrative Code of Illinois.

15 Subject to payment of amounts into the Build Illinois Fund,
16 the McCormick Place Expansion Project Fund, the Illinois Tax
17 Increment Fund, and the Energy Infrastructure Fund pursuant to
18 the preceding paragraphs or in any amendments to this Section
19 hereafter enacted, beginning on the first day of the first
20 calendar month to occur on or after the effective date of this
21 amendatory Act of the 98th General Assembly, each month, from
22 the collections made under Section 9 of the Use Tax Act,
23 Section 9 of the Service Use Tax Act, Section 9 of the Service
24 Occupation Tax Act, and Section 3 of the Retailers' Occupation
25 Tax Act, the Department shall pay into the Tax Compliance and
26 Administration Fund, to be used, subject to appropriation, to

1 fund additional auditors and compliance personnel at the
2 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
3 the cash receipts collected during the preceding fiscal year by
4 the Audit Bureau of the Department under the Use Tax Act, the
5 Service Use Tax Act, the Service Occupation Tax Act, the
6 Retailers' Occupation Tax Act, and associated local occupation
7 and use taxes administered by the Department.

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

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 statement
21 of gross receipts as shown by the taxpayer's last Federal
22 income tax return. If the total receipts of the business as
23 reported in the Federal income tax return do not agree with the
24 gross receipts reported to the Department of Revenue for the
25 same period, the taxpayer shall attach to his annual return a
26 schedule showing a reconciliation of the 2 amounts and the

1 reasons for the difference. The taxpayer's annual return to the
2 Department shall also disclose the cost of goods sold by the
3 taxpayer during the year covered by such return, opening and
4 closing inventories of such goods for such year, cost of goods
5 used from stock or taken from stock and given away by the
6 taxpayer during such year, pay roll information of the
7 taxpayer's business during such year and any additional
8 reasonable information which the Department deems would be
9 helpful in determining the accuracy of the monthly, quarterly
10 or annual returns filed by such taxpayer as hereinbefore
11 provided for in this Section.

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

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

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

25 The chief executive officer, proprietor, owner or highest
26 ranking manager shall sign the annual return to certify the

1 accuracy of the information contained therein. Any person who
2 willfully signs the annual return containing false or
3 inaccurate information shall be guilty of perjury and punished
4 accordingly. The annual return form prescribed by the
5 Department shall include a warning that the person signing the
6 return may be liable for perjury.

7 The foregoing portion of this Section concerning the filing
8 of an annual information return shall not apply to a serviceman
9 who is not required to file an income tax return with the
10 United States Government.

11 As soon as possible after the first day of each month, upon
12 certification of the Department of Revenue, the Comptroller
13 shall order transferred and the Treasurer shall transfer from
14 the General Revenue Fund to the Motor Fuel Tax Fund an amount
15 equal to 1.7% of 80% of the net revenue realized under this Act
16 for the second preceding month. Beginning April 1, 2000, this
17 transfer is no longer required 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 For greater simplicity of administration, it shall be
23 permissible for manufacturers, importers and wholesalers whose
24 products are sold by numerous servicemen in Illinois, and who
25 wish to do so, to assume the responsibility for accounting and
26 paying to the Department all tax accruing under this Act with

1 respect to such sales, if the servicemen who are affected do
2 not make written objection to the Department to this
3 arrangement.

4 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
5 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;
6 98-1098, eff. 8-26-14; 99-352, eff. 8-12-15; 99-858, eff.
7 8-19-16.)

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

10 (35 ILCS 120/2-10)

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

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

19 Beginning on August 6, 2010 through August 15, 2010, with
20 respect to sales tax holiday items as defined in Section 2-8 of
21 this Act, the tax is imposed at the rate of 1.25%.

22 Within 14 days after the effective date of this amendatory
23 Act of the 91st General Assembly, each retailer of motor fuel
24 and gasohol shall cause the following notice to be posted in a

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

13 With respect to gasohol, as defined in the Use Tax Act, the
14 tax imposed by this Act applies to (i) 70% of the proceeds of
15 sales made on or after January 1, 1990, and before July 1,
16 2003, (ii) 80% of the proceeds of sales made on or after July
17 1, 2003 and on or before December 31, 2018, and (iii) 100% of
18 the proceeds of sales made thereafter. If, at any time,
19 however, the tax under this Act on sales of gasohol, as defined
20 in the Use Tax Act, is imposed at the rate of 1.25%, then the
21 tax imposed by this Act applies to 100% of the proceeds of
22 sales of gasohol made during that time.

23 With respect to majority blended ethanol fuel, as defined
24 in the Use Tax Act, the tax imposed by this Act does not apply
25 to the proceeds of sales made on or after July 1, 2003 and on or
26 before December 31, 2018 but applies to 100% of the proceeds of

1 sales made thereafter.

2 With respect to biodiesel blends, as defined in the Use Tax
3 Act, with no less than 1% and no more than 10% biodiesel, the
4 tax imposed by this Act applies to (i) 80% of the proceeds of
5 sales made on or after July 1, 2003 and on or before December
6 31, 2018 and (ii) 100% of the proceeds of sales made
7 thereafter. If, at any time, however, the tax under this Act on
8 sales of biodiesel blends, as defined in the Use Tax Act, with
9 no less than 1% and no more than 10% biodiesel is imposed at
10 the rate of 1.25%, then the tax imposed by this Act applies to
11 100% of the proceeds of sales of biodiesel blends with no less
12 than 1% and no more than 10% biodiesel made during that time.

13 With respect to 100% biodiesel, as defined in the Use Tax
14 Act, and biodiesel blends, as defined in the Use Tax Act, with
15 more than 10% but no more than 99% biodiesel, the tax imposed
16 by this Act does not apply to the proceeds of sales made on or
17 after July 1, 2003 and on or before December 31, 2018 but
18 applies to 100% of the proceeds of sales made thereafter.

19 With respect to food for human consumption that is to be
20 consumed off the premises where it is sold (other than
21 alcoholic beverages, soft drinks, and food that has been
22 prepared for immediate consumption) and prescription and
23 nonprescription medicines, drugs, medical appliances, products
24 classified as Class III medical devices by the United States
25 Food and Drug Administration that are used for cancer treatment
26 pursuant to a prescription, as well as any accessories and

1 components related to those devices, modifications to a motor
2 vehicle for the purpose of rendering it usable by a person with
3 a disability, diapers, baby wipes, and insulin, urine testing
4 materials, syringes, and needles used by diabetics, for human
5 use, the tax is imposed at the rate of 1%. For the purposes of
6 this Section, until September 1, 2009: the term "soft drinks"
7 means any complete, finished, ready-to-use, non-alcoholic
8 drink, whether carbonated or not, including but not limited to
9 soda water, cola, fruit juice, vegetable juice, carbonated
10 water, and all other preparations commonly known as soft drinks
11 of whatever kind or description that are contained in any
12 closed or sealed bottle, can, carton, or container, regardless
13 of size; but "soft drinks" does not include coffee, tea,
14 non-carbonated water, infant formula, milk or milk products as
15 defined in the Grade A Pasteurized Milk and Milk Products Act,
16 or drinks containing 50% or more natural fruit or vegetable
17 juice.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "soft drinks" means non-alcoholic
20 beverages that contain natural or artificial sweeteners. "Soft
21 drinks" do not include beverages that contain milk or milk
22 products, soy, rice or similar milk substitutes, or greater
23 than 50% of vegetable or fruit juice by volume.

24 Until August 1, 2009, and notwithstanding any other
25 provisions of this Act, "food for human consumption that is to
26 be consumed off the premises where it is sold" includes all

1 food sold through a vending machine, except soft drinks and
2 food products that are dispensed hot from a vending machine,
3 regardless of the location of the vending machine. Beginning
4 August 1, 2009, and notwithstanding any other provisions of
5 this Act, "food for human consumption that is to be consumed
6 off the premises where it is sold" includes all food sold
7 through a vending machine, except soft drinks, candy, and food
8 products that are dispensed hot from a vending machine,
9 regardless of the location of the vending machine.

10 Notwithstanding any other provisions of this Act,
11 beginning September 1, 2009, "food for human consumption that
12 is to be consumed off the premises where it is sold" does not
13 include candy. For purposes of this Section, "candy" means a
14 preparation of sugar, honey, or other natural or artificial
15 sweeteners in combination with chocolate, fruits, nuts or other
16 ingredients or flavorings in the form of bars, drops, or
17 pieces. "Candy" does not include any preparation that contains
18 flour or requires refrigeration.

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "nonprescription medicines and
21 drugs" does not include grooming and hygiene products. For
22 purposes of this Section, "grooming and hygiene products"
23 includes, but is not limited to, soaps and cleaning solutions,
24 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
25 lotions and screens, unless those products are available by
26 prescription only, regardless of whether the products meet the

1 definition of "over-the-counter-drugs". For the purposes of
2 this paragraph, "over-the-counter-drug" means a drug for human
3 use that contains a label that identifies the product as a drug
4 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
5 label includes:

6 (A) A "Drug Facts" panel; or

7 (B) A statement of the "active ingredient(s)" with a
8 list of those ingredients contained in the compound,
9 substance or preparation.

10 Beginning on the effective date of this amendatory Act of
11 the 98th General Assembly, "prescription and nonprescription
12 medicines and drugs" includes medical cannabis purchased from a
13 registered dispensing organization under the Compassionate Use
14 of Medical Cannabis Pilot Program Act.

15 (Source: P.A. 98-122, eff. 1-1-14; 99-143, eff. 7-27-15;
16 99-858, eff. 8-19-16.)

17 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

23 1. The name of the seller;

24 2. His residence address and the address of his
25 principal place of business and the address of the

1 principal place of business (if that is a different
2 address) from which he engages in the business of selling
3 tangible personal property at retail in this State;

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

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

14 5. Deductions allowed by law;

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

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

20 8. The amount of tax due;

21 9. The signature of the taxpayer; and

22 10. 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 be

1 due on the return shall be deemed assessed.

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

5 Prior to October 1, 2003, and on and after September 1,
6 2004 a retailer may accept a Manufacturer's Purchase Credit
7 certification from a purchaser in satisfaction of Use Tax as
8 provided in Section 3-85 of the Use Tax Act if the purchaser
9 provides the appropriate documentation as required by Section
10 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
11 certification, accepted by a retailer prior to October 1, 2003
12 and on and after September 1, 2004 as provided in Section 3-85
13 of the Use Tax Act, may be used by that retailer to satisfy
14 Retailers' Occupation Tax liability in the amount claimed in
15 the certification, not to exceed 6.25% of the receipts subject
16 to tax from a qualifying purchase. A Manufacturer's Purchase
17 Credit reported on any original or amended return filed under
18 this Act after October 20, 2003 for reporting periods prior to
19 September 1, 2004 shall be disallowed. Manufacturer's
20 Purchaser Credit reported on annual returns due on or after
21 January 1, 2005 will be disallowed for periods prior to
22 September 1, 2004. No Manufacturer's Purchase Credit may be
23 used after September 30, 2003 through August 31, 2004 to
24 satisfy any tax liability imposed under this Act, including any
25 audit liability.

26 The Department may require returns to be filed on a

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

7 1. The name of the seller;

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

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

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

18 5. The amount of tax due; and

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

21 Beginning on October 1, 2003, any person who is not a
22 licensed distributor, importing distributor, or manufacturer,
23 as defined in the Liquor Control Act of 1934, but is engaged in
24 the business of selling, at retail, alcoholic liquor shall file
25 a statement with the Department of Revenue, in a format and at
26 a time prescribed by the Department, showing the total amount

1 paid for alcoholic liquor purchased during the preceding month
2 and such other information as is reasonably required by the
3 Department. The Department may adopt rules to require that this
4 statement be filed in an electronic or telephonic format. Such
5 rules may provide for exceptions from the filing requirements
6 of this paragraph. For the purposes of this paragraph, the term
7 "alcoholic liquor" shall have the meaning prescribed in the
8 Liquor Control Act of 1934.

9 Beginning on October 1, 2003, every distributor, importing
10 distributor, and manufacturer of alcoholic liquor as defined in
11 the Liquor Control Act of 1934, shall file a statement with the
12 Department of Revenue, no later than the 10th day of the month
13 for the preceding month during which transactions occurred, by
14 electronic means, showing the total amount of gross receipts
15 from the sale of alcoholic liquor sold or distributed during
16 the preceding month to purchasers; identifying the purchaser to
17 whom it was sold or distributed; the purchaser's tax
18 registration number; and such other information reasonably
19 required by the Department. A distributor, importing
20 distributor, or manufacturer of alcoholic liquor must
21 personally deliver, mail, or provide by electronic means to
22 each retailer listed on the monthly statement a report
23 containing a cumulative total of that distributor's, importing
24 distributor's, or manufacturer's total sales of alcoholic
25 liquor to that retailer no later than the 10th day of the month
26 for the preceding month during which the transaction occurred.

1 The distributor, importing distributor, or manufacturer shall
2 notify the retailer as to the method by which the distributor,
3 importing distributor, or manufacturer will provide the sales
4 information. If the retailer is unable to receive the sales
5 information by electronic means, the distributor, importing
6 distributor, or manufacturer shall furnish the sales
7 information by personal delivery or by mail. For purposes of
8 this paragraph, the term "electronic means" includes, but is
9 not limited to, the use of a secure Internet website, e-mail,
10 or facsimile.

11 If a total amount of less than \$1 is payable, refundable or
12 creditable, such amount shall be disregarded if it is less than
13 50 cents and shall be increased to \$1 if it is 50 cents or more.

14 Beginning October 1, 1993, a taxpayer who has an average
15 monthly tax liability of \$150,000 or more shall make all
16 payments required by rules of the Department by electronic
17 funds transfer. Beginning October 1, 1994, a taxpayer who has
18 an average monthly tax liability of \$100,000 or more shall make
19 all payments required by rules of the Department by electronic
20 funds transfer. Beginning October 1, 1995, a taxpayer who has
21 an average monthly tax liability of \$50,000 or more shall make
22 all payments required by rules of the Department by electronic
23 funds transfer. Beginning October 1, 2000, a taxpayer who has
24 an annual tax liability of \$200,000 or more shall make all
25 payments required by rules of the Department by electronic
26 funds transfer. The term "annual tax liability" shall be the

1 sum of the taxpayer's liabilities under this Act, and under all
2 other State and local occupation and use tax laws administered
3 by the Department, for the immediately preceding calendar year.
4 The term "average monthly tax liability" shall be the sum of
5 the taxpayer's liabilities under this Act, and under all other
6 State and local occupation and use tax laws administered by the
7 Department, for the immediately preceding calendar year
8 divided by 12. Beginning on October 1, 2002, a taxpayer who has
9 a tax liability in the amount set forth in subsection (b) of
10 Section 2505-210 of the Department of Revenue Law shall make
11 all payments required by rules of the Department by electronic
12 funds transfer.

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

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

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

25 The Department shall adopt such rules as are necessary to
26 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 any
3 return or other document under this Act shall, if such amount
4 is not a whole-dollar amount, be increased to the nearest
5 whole-dollar amount in any case where the fractional part of a
6 dollar is 50 cents or more, and decreased to the nearest
7 whole-dollar amount where the fractional part of a dollar is
8 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 year
14 being due by April 20 of such year; with the return for April,
15 May and June of a given year being due by July 20 of such year;
16 with the return for July, August and September of a given year
17 being due by October 20 of such year, and with the return for
18 October, November and December of a given year being due by
19 January 20 of the following year.

20 If the retailer is otherwise required to file a monthly or
21 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 20
25 of the following year.

26 Such quarter annual and annual returns, as to form and

1 substance, shall be subject to the same requirements as monthly
2 returns.

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

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

15 In addition, with respect to motor vehicles, watercraft,
16 aircraft, and trailers that are required to be registered with
17 an agency of this State, every retailer selling this kind of
18 tangible personal property shall file, with the Department,
19 upon a form to be prescribed and supplied by the Department, a
20 separate return for each such item of tangible personal
21 property which the retailer sells, except that if, in the same
22 transaction, (i) a retailer of aircraft, watercraft, motor
23 vehicles or trailers transfers more than one aircraft,
24 watercraft, motor vehicle or trailer to another aircraft,
25 watercraft, motor vehicle retailer or trailer retailer for the
26 purpose of resale or (ii) a retailer of aircraft, watercraft,

1 motor vehicles, or trailers transfers more than one aircraft,
2 watercraft, motor vehicle, or trailer to a purchaser for use as
3 a qualifying rolling stock as provided in Section 2-5 of this
4 Act, then that seller may report the transfer of all aircraft,
5 watercraft, motor vehicles or trailers involved in that
6 transaction to the Department on the same uniform
7 invoice-transaction reporting return form. For purposes of
8 this Section, "watercraft" means a Class 2, Class 3, or Class 4
9 watercraft as defined in Section 3-2 of the Boat Registration
10 and Safety Act, a personal watercraft, or any boat equipped
11 with an inboard motor.

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

20 The transaction reporting return, in the case of motor
21 vehicles or trailers that are required to be registered with an
22 agency of this State, shall be the same document as the Uniform
23 Invoice referred to in Section 5-402 of The Illinois Vehicle
24 Code and must show the name and address of the seller; the name
25 and address of the purchaser; the amount of the selling price
26 including the amount allowed by the retailer for traded-in

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

15 The transaction reporting return in the case of watercraft
16 or aircraft must show the name and address of the seller; the
17 name and address of the purchaser; the amount of the selling
18 price including the amount allowed by the retailer for
19 traded-in property, if any; the amount allowed by the retailer
20 for the traded-in tangible personal property, if any, to the
21 extent to which Section 1 of this Act allows an exemption for
22 the value of traded-in property; the balance payable after
23 deducting such trade-in allowance from the total selling price;
24 the amount of tax due from the retailer with respect to such
25 transaction; the amount of tax collected from the purchaser by
26 the retailer on such transaction (or satisfactory evidence that

1 such tax is not due in that particular instance, if that is
2 claimed to be the fact); the place and date of the sale, a
3 sufficient identification of the property sold, and such other
4 information as the Department may reasonably require.

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

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

1 required) in support of such purchaser's application for an
2 Illinois certificate or other evidence of title or registration
3 to such tangible personal property.

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

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

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

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

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

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

20 Except as provided in this Section, the retailer filing the
21 return under this Section shall, at the time of filing such
22 return, pay to the Department the amount of tax imposed by this
23 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
24 on and after January 1, 1990, or \$5 per calendar year,
25 whichever is greater, which is allowed to reimburse the
26 retailer for the expenses incurred in keeping records,

1 preparing and filing returns, remitting the tax and supplying
2 data to the Department on request. Any prepayment made pursuant
3 to Section 2d of this Act shall be included in the amount on
4 which such 2.1% or 1.75% discount is computed. In the case of
5 retailers who report and pay the tax on a transaction by
6 transaction basis, as provided in this Section, such discount
7 shall be taken with each such tax remittance instead of when
8 such retailer files his periodic return. The Department may
9 disallow the discount for retailers whose certificate of
10 registration is revoked at the time the return is filed, but
11 only if the Department's decision to revoke the certificate of
12 registration has become final.

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

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

1 or after January 1, 1988, and prior to January 1, 1989, or
2 begins on or after January 1, 1996, each payment shall be in an
3 amount equal to 22.5% of the taxpayer's actual liability for
4 the month or 25% of the taxpayer's liability for the same
5 calendar month of the preceding year. If the month during which
6 such tax liability is incurred begins on or after January 1,
7 1989, and prior to January 1, 1996, each payment shall be in an
8 amount equal to 22.5% of the taxpayer's actual liability for
9 the month or 25% of the taxpayer's liability for the same
10 calendar month of the preceding year or 100% of the taxpayer's
11 actual liability for the quarter monthly reporting period. The
12 amount of such quarter monthly payments shall be credited
13 against the final tax liability of the taxpayer's return for
14 that month. Before October 1, 2000, once applicable, the
15 requirement of the making of quarter monthly payments to the
16 Department by taxpayers having an average monthly tax liability
17 of \$10,000 or more as determined in the manner provided above
18 shall continue until such taxpayer's average monthly liability
19 to 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 complete
24 calendar quarter period is less than \$10,000. However, if a
25 taxpayer can show the Department that a substantial change in
26 the taxpayer's business has occurred which causes the taxpayer

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

1 difference between the minimum amount due as a payment and the
2 amount of such quarter monthly payment actually and timely
3 paid, except insofar as the taxpayer has previously made
4 payments for that month to the Department in excess of the
5 minimum payments previously due as provided in this Section.
6 The Department shall make reasonable rules and regulations to
7 govern the quarter monthly payment amount and quarter monthly
8 payment dates for taxpayers who file on other than a calendar
9 monthly basis.

10 The provisions of this paragraph apply before October 1,
11 2001. Without regard to whether a taxpayer is required to make
12 quarter monthly payments as specified above, any taxpayer who
13 is required by Section 2d of this Act to collect and remit
14 prepaid taxes and has collected prepaid taxes which average in
15 excess of \$25,000 per month during the preceding 2 complete
16 calendar quarters, shall file a return with the Department as
17 required by Section 2f and shall make payments to the
18 Department on or before the 7th, 15th, 22nd and last day of the
19 month during which such liability is incurred. If the month
20 during which such tax liability is incurred began prior to
21 September 1, 1985 (the effective date of Public Act 84-221)
22 ~~this amendatory Act of 1985~~, each payment shall be in an amount
23 not less than 22.5% of the taxpayer's actual liability under
24 Section 2d. If the month during which such tax liability is
25 incurred begins on or after January 1, 1986, each payment shall
26 be in an amount equal to 22.5% of the taxpayer's actual

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

20 The provisions of this paragraph apply on and after October
21 1, 2001. Without regard to whether a taxpayer is required to
22 make quarter monthly payments as specified above, any taxpayer
23 who is required by Section 2d of this Act to collect and remit
24 prepaid taxes and has collected prepaid taxes that average in
25 excess of \$20,000 per month during the preceding 4 complete
26 calendar quarters shall file a return with the Department as

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

24 If any payment provided for in this Section exceeds the
25 taxpayer's liabilities under this Act, the Use Tax Act, the
26 Service Occupation Tax Act and the Service Use Tax Act, as

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

1 State treasury which is hereby created, the net revenue
2 realized for the preceding month from the 1% tax on sales of
3 food for human consumption which is to be consumed off the
4 premises where it is sold (other than alcoholic beverages, soft
5 drinks and food which has been prepared for immediate
6 consumption) and prescription and nonprescription medicines,
7 drugs, medical appliances, products classified as Class III
8 medical devices by the United States Food and Drug
9 Administration that are used for cancer treatment pursuant to a
10 prescription, as well as any accessories and components related
11 to those devices, diapers, baby wipes, and insulin, urine
12 testing materials, syringes and needles used by diabetics.

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

18 Beginning August 1, 2000, each month the Department shall
19 pay into the County and Mass Transit District Fund 20% of the
20 net revenue realized for the preceding month from the 1.25%
21 rate on the selling price of motor fuel and gasohol. Beginning
22 September 1, 2010, each month the Department shall pay into the
23 County and Mass Transit District Fund 20% of the net revenue
24 realized for the preceding month from the 1.25% rate on the
25 selling price of sales tax holiday items.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the Local Government Tax Fund 16% of the net revenue
2 realized for the preceding month from the 6.25% general rate on
3 the selling price of tangible personal property.

4 Beginning August 1, 2000, each month the Department shall
5 pay into the Local Government Tax Fund 80% of the net revenue
6 realized for the preceding month from the 1.25% rate on the
7 selling price of motor fuel and gasohol. Beginning September 1,
8 2010, each month the Department shall pay into the Local
9 Government Tax Fund 80% of the net revenue realized for the
10 preceding month from the 1.25% rate on the selling price of
11 sales tax holiday items.

12 Beginning October 1, 2009, each month the Department shall
13 pay into the Capital Projects Fund an amount that is equal to
14 an amount estimated by the Department to represent 80% of the
15 net revenue realized for the preceding month from the sale of
16 candy, grooming and hygiene products, and soft drinks that had
17 been taxed at a rate of 1% prior to September 1, 2009 but that
18 are now taxed at 6.25%.

19 Beginning July 1, 2011, each month the Department shall pay
20 into the Clean Air Act Permit Fund 80% of the net revenue
21 realized for the preceding month from the 6.25% general rate on
22 the selling price of sorbents used in Illinois in the process
23 of sorbent injection as used to comply with the Environmental
24 Protection Act or the federal Clean Air Act, but the total
25 payment into the Clean Air Act Permit Fund under this Act and
26 the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

1 Beginning July 1, 2013, each month the Department shall pay
2 into the Underground Storage Tank Fund from the proceeds
3 collected under this Act, the Use Tax Act, the Service Use Tax
4 Act, and the Service Occupation Tax Act an amount equal to the
5 average monthly deficit in the Underground Storage Tank Fund
6 during the prior year, as certified annually by the Illinois
7 Environmental Protection Agency, but the total payment into the
8 Underground Storage Tank Fund under this Act, the Use Tax Act,
9 the Service Use Tax Act, and the Service Occupation Tax Act
10 shall not exceed \$18,000,000 in any State fiscal year. As used
11 in this paragraph, the "average monthly deficit" shall be equal
12 to the difference between the average monthly claims for
13 payment by the fund and the average monthly revenues deposited
14 into the fund, excluding payments made pursuant to this
15 paragraph.

16 Beginning July 1, 2015, of the remainder of the moneys
17 received by the Department under the Use Tax Act, the Service
18 Use Tax Act, the Service Occupation Tax Act, and this Act, each
19 month the Department shall deposit \$500,000 into the State
20 Crime Laboratory Fund.

21 Of the remainder of the moneys received by the Department
22 pursuant to this Act, (a) 1.75% thereof shall be paid into the
23 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
24 and after July 1, 1989, 3.8% thereof shall be paid into the
25 Build Illinois Fund; provided, however, that if in any fiscal
26 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case

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

15	Fiscal Year	Annual Specified Amount
16	1986	\$54,800,000
17	1987	\$76,650,000
18	1988	\$80,480,000
19	1989	\$88,510,000
20	1990	\$115,330,000
21	1991	\$145,470,000
22	1992	\$182,730,000
23	1993	\$206,520,000;

24 and means the Certified Annual Debt Service Requirement (as
25 defined in Section 13 of the Build Illinois Bond Act) or the
26 Tax Act Amount, whichever is greater, for fiscal year 1994 and

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

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

21 Subject to payment of amounts into the Build Illinois Fund
22 as provided in the preceding paragraph or in any amendment
23 thereto hereafter enacted, the following specified monthly
24 installment of the amount requested in the certificate of the
25 Chairman of the Metropolitan Pier and Exposition Authority
26 provided under Section 8.25f of the State Finance Act, but not

1 in excess of sums designated as "Total Deposit", shall be
 2 deposited in the aggregate from collections under Section 9 of
 3 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 4 9 of the Service Occupation Tax Act, and Section 3 of the
 5 Retailers' Occupation Tax Act into the McCormick Place
 6 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total
		Deposit
8	1993	\$0
9	1994	53,000,000
10	1995	58,000,000
11	1996	61,000,000
12	1997	64,000,000
13	1998	68,000,000
14	1999	71,000,000
15	2000	75,000,000
16	2001	80,000,000
17	2002	93,000,000
18	2003	99,000,000
19	2004	103,000,000
20	2005	108,000,000
21	2006	113,000,000
22	2007	119,000,000
23	2008	126,000,000
24	2009	132,000,000
25	2010	139,000,000

1	2011	146,000,000
2	2012	153,000,000
3	2013	161,000,000
4	2014	170,000,000
5	2015	179,000,000
6	2016	189,000,000
7	2017	199,000,000
8	2018	210,000,000
9	2019	221,000,000
10	2020	233,000,000
11	2021	246,000,000
12	2022	260,000,000
13	2023	275,000,000
14	2024	275,000,000
15	2025	275,000,000
16	2026	279,000,000
17	2027	292,000,000
18	2028	307,000,000
19	2029	322,000,000
20	2030	338,000,000
21	2031	350,000,000
22	2032	350,000,000

23 and
24 each fiscal year
25 thereafter that bonds
26 are outstanding under

1 Section 13.2 of the
2 Metropolitan Pier and
3 Exposition Authority Act,
4 but not after fiscal year 2060.

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

18 Subject to payment of amounts into the Build Illinois Fund
19 and the McCormick Place Expansion Project Fund pursuant to the
20 preceding paragraphs or in any amendments thereto hereafter
21 enacted, beginning July 1, 1993 and ending on September 30,
22 2013, the Department shall each month pay into the Illinois Tax
23 Increment Fund 0.27% of 80% of the net revenue realized for the
24 preceding month from the 6.25% general rate on the selling
25 price of tangible personal property.

26 Subject to payment of amounts into the Build Illinois Fund

1 and the McCormick Place Expansion Project Fund pursuant to the
2 preceding paragraphs or in any amendments thereto hereafter
3 enacted, beginning with the receipt of the first report of
4 taxes paid by an eligible business and continuing for a 25-year
5 period, the Department shall each month pay into the Energy
6 Infrastructure Fund 80% of the net revenue realized from the
7 6.25% general rate on the selling price of Illinois-mined coal
8 that was sold to an eligible business. For purposes of this
9 paragraph, the term "eligible business" means a new electric
10 generating facility certified pursuant to Section 605-332 of
11 the Department of Commerce and Economic Opportunity Law of the
12 Civil Administrative Code of Illinois.

13 Subject to payment of amounts into the Build Illinois Fund,
14 the McCormick Place Expansion Project Fund, the Illinois Tax
15 Increment Fund, and the Energy Infrastructure Fund pursuant to
16 the preceding paragraphs or in any amendments to this Section
17 hereafter enacted, beginning on the first day of the first
18 calendar month to occur on or after August 26, 2014 (the
19 effective date of Public Act 98-1098) ~~this amendatory Act of~~
20 ~~the 98th General Assembly~~, each month, from the collections
21 made under Section 9 of the Use Tax Act, Section 9 of the
22 Service Use Tax Act, Section 9 of the Service Occupation Tax
23 Act, and Section 3 of the Retailers' Occupation Tax Act, the
24 Department shall pay into the Tax Compliance and Administration
25 Fund, to be used, subject to appropriation, to fund additional
26 auditors and compliance personnel at the Department of Revenue,

1 an amount equal to 1/12 of 5% of 80% of the cash receipts
2 collected during the preceding fiscal year by the Audit Bureau
3 of the Department under the Use Tax Act, the Service Use Tax
4 Act, the Service Occupation Tax Act, the Retailers' Occupation
5 Tax Act, and associated local occupation and use taxes
6 administered by the Department.

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

13 The Department may, upon separate written notice to a
14 taxpayer, require the taxpayer to prepare and file with the
15 Department on a form prescribed by the Department within not
16 less than 60 days after receipt of the notice an annual
17 information return for the tax year specified in the notice.
18 Such annual return to the Department shall include a statement
19 of gross receipts as shown by the retailer's last Federal
20 income tax return. If the total receipts of the business as
21 reported in the Federal income tax return do not agree with the
22 gross receipts reported to the Department of Revenue for the
23 same period, the retailer shall attach to his annual return a
24 schedule showing a reconciliation of the 2 amounts and the
25 reasons for the difference. The retailer's annual return to the
26 Department shall also disclose the cost of goods sold by the

1 retailer during the year covered by such return, opening and
2 closing inventories of such goods for such year, costs of goods
3 used from stock or taken from stock and given away by the
4 retailer during such year, payroll information of the
5 retailer's business during such year and any additional
6 reasonable information which the Department deems would be
7 helpful in determining the accuracy of the monthly, quarterly
8 or annual returns filed by such retailer as provided for in
9 this Section.

10 If the annual information return required by this Section
11 is not filed when and as required, the taxpayer shall be liable
12 as follows:

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

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

23 The chief executive officer, proprietor, owner or highest
24 ranking manager shall sign the annual return to certify the
25 accuracy of the information contained therein. Any person who
26 willfully signs the annual return containing false or

1 inaccurate information shall be guilty of perjury and punished
2 accordingly. The annual return form prescribed by the
3 Department shall include a warning that the person signing the
4 return may be liable for perjury.

5 The provisions of this Section concerning the filing of an
6 annual information return do not apply to a retailer who is not
7 required to file an income tax return with the United States
8 Government.

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

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

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

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

18 Any person engaged in the business of selling tangible
19 personal property at retail as a concessionaire or other type
20 of seller at the Illinois State Fair, county fairs, art shows,
21 flea markets and similar exhibitions or events, or any
22 transient merchants, as defined by Section 2 of the Transient
23 Merchant Act of 1987, may be required to make a daily report of
24 the amount of such sales to the Department and to make a daily
25 payment of the full amount of tax due. The Department shall
26 impose this requirement when it finds that there is a

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

12 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
13 98-496, eff. 1-1-14; 98-756, eff. 7-16-14; 98-1098, eff.
14 8-26-14; 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933,
15 eff. 1-27-17; revised 2-3-17.)