



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4782

Introduced 2/18/2020, by Rep. Katie Stuart - John Connor

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
35 ILCS 105/3-6	
35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 120/2-8	
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Provides that, from August 2, 2020 through August 8, 2020, the tax imposed under the Acts on clothing and school supplies shall be at the rate of 1.25% (instead of 6.25%). Makes changes concerning the distribution of proceeds from those sales. Makes corresponding changes in the State Finance Act. Effective immediately.

LRB101 17578 HLH 66997 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 State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 as follows:

6 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

7 Sec. 6z-18. Local Government Tax Fund. A portion of the
8 money paid into the Local Government Tax Fund from sales of
9 tangible personal property taxed at the 1% rate under the
10 Retailers' Occupation Tax Act and the Service Occupation Tax
11 Act, which occurred in municipalities, shall be distributed to
12 each municipality based upon the sales which occurred in that
13 municipality. The remainder shall be distributed to each county
14 based upon the sales which occurred in the unincorporated area
15 of that county.

16 A portion of the money paid into the Local Government Tax
17 Fund from the 6.25% general use tax rate on the selling price
18 of tangible personal property which is purchased outside
19 Illinois at retail from a retailer and which is titled or
20 registered by any agency of this State's government shall be
21 distributed to municipalities as provided in this paragraph.
22 Each municipality shall receive the amount attributable to
23 sales for which Illinois addresses for titling or registration

1 purposes are given as being in such municipality. The remainder
2 of the money paid into the Local Government Tax Fund from such
3 sales shall be distributed to counties. Each county shall
4 receive the amount attributable to sales for which Illinois
5 addresses for titling or registration purposes are given as
6 being located in the unincorporated area of such county.

7 A portion of the money paid into the Local Government Tax
8 Fund from the 6.25% general rate (and, beginning July 1, 2000
9 and through December 31, 2000, the 1.25% rate on motor fuel and
10 gasohol, and from ~~beginning on~~ August 6, 2010 through August
11 15, 2010, the 1.25% rate on sales tax holiday items, and from
12 August 2, 2020 through August 8, 2020, the 1.25% rate on sales
13 tax holiday items) on sales subject to taxation under the
14 Retailers' Occupation Tax Act and the Service Occupation Tax
15 Act, which occurred in municipalities, shall be distributed to
16 each municipality, based upon the sales which occurred in that
17 municipality. The remainder shall be distributed to each
18 county, based upon the sales which occurred in the
19 unincorporated area of such county.

20 For the purpose of determining allocation to the local
21 government unit, a retail sale by a producer of coal or other
22 mineral mined in Illinois is a sale at retail at the place
23 where the coal or other mineral mined in Illinois is extracted
24 from the earth. This paragraph does not apply to coal or other
25 mineral when it is delivered or shipped by the seller to the
26 purchaser at a point outside Illinois so that the sale is

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

3 Whenever the Department determines that a refund of money
4 paid into the Local Government Tax Fund should be made to a
5 claimant instead of issuing a credit memorandum, the Department
6 shall notify the State Comptroller, who shall cause the order
7 to be drawn for the amount specified, and to the person named,
8 in such notification from the Department. Such refund shall be
9 paid by the State Treasurer out of the Local Government Tax
10 Fund.

11 As soon as possible after the first day of each month,
12 beginning January 1, 2011, upon certification of the Department
13 of Revenue, the Comptroller shall order transferred, and the
14 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
15 local sales tax increment, as defined in the Innovation
16 Development and Economy Act, collected during the second
17 preceding calendar month for sales within a STAR bond district
18 and deposited into the Local Government Tax Fund, less 3% of
19 that amount, which shall be transferred into the Tax Compliance
20 and Administration Fund and shall be used by the Department,
21 subject to appropriation, to cover the costs of the Department
22 in administering the Innovation Development and Economy Act.

23 After the monthly transfer to the STAR Bonds Revenue Fund,
24 on or before the 25th day of each calendar month, the
25 Department shall prepare and certify to the Comptroller the
26 disbursement of stated sums of money to named municipalities

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

23 When certifying the amount of monthly disbursement to a
24 municipality or county under this Section, the Department shall
25 increase or decrease that amount by an amount necessary to
26 offset any misallocation of previous disbursements. The offset

1 amount shall be the amount erroneously disbursed within the 6
2 months preceding the time a misallocation is discovered.

3 The provisions directing the distributions from the
4 special fund in the State Treasury provided for in this Section
5 shall constitute an irrevocable and continuing appropriation
6 of all amounts as provided herein. The State Treasurer and
7 State Comptroller are hereby authorized to make distributions
8 as provided in this Section.

9 In construing any development, redevelopment, annexation,
10 preannexation or other lawful agreement in effect prior to
11 September 1, 1990, which describes or refers to receipts from a
12 county or municipal retailers' occupation tax, use tax or
13 service occupation tax which now cannot be imposed, such
14 description or reference shall be deemed to include the
15 replacement revenue for such abolished taxes, distributed from
16 the Local Government Tax Fund.

17 As soon as possible after the effective date of this
18 amendatory Act of the 98th General Assembly, the State
19 Comptroller shall order and the State Treasurer shall transfer
20 \$6,600,000 from the Local Government Tax Fund to the Illinois
21 State Medical Disciplinary Fund.

22 (Source: P.A. 100-1171, eff. 1-4-19.)

23 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

24 Sec. 6z-20. County and Mass Transit District Fund. Of the
25 money received from the 6.25% general rate (and, beginning July

1 1, 2000 and through December 31, 2000, the 1.25% rate on motor
2 fuel and gasohol, and from ~~beginning on~~ August 6, 2010 through
3 August 15, 2010, the 1.25% rate on sales tax holiday items, and
4 from August 2, 2020 through August 8, 2020, the 1.25% rate on
5 sales tax holiday items) on sales subject to taxation under the
6 Retailers' Occupation Tax Act and Service Occupation Tax Act
7 and paid into the County and Mass Transit District Fund,
8 distribution to the Regional Transportation Authority tax
9 fund, created pursuant to Section 4.03 of the Regional
10 Transportation Authority Act, for deposit therein shall be made
11 based upon the retail sales occurring in a county having more
12 than 3,000,000 inhabitants. The remainder shall be distributed
13 to each county having 3,000,000 or fewer inhabitants based upon
14 the retail sales occurring in each such county.

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

24 Of the money received from the 6.25% general use tax rate
25 on tangible personal property which is purchased outside
26 Illinois at retail from a retailer and which is titled or

1 registered by any agency of this State's government and paid
2 into the County and Mass Transit District Fund, the amount for
3 which Illinois addresses for titling or registration purposes
4 are given as being in each county having more than 3,000,000
5 inhabitants shall be distributed into the Regional
6 Transportation Authority tax fund, created pursuant to Section
7 4.03 of the Regional Transportation Authority Act. The
8 remainder of the money paid from such sales shall be
9 distributed to each county based on sales for which Illinois
10 addresses for titling or registration purposes are given as
11 being located in the county. Any money paid into the Regional
12 Transportation Authority Occupation and Use Tax Replacement
13 Fund from the County and Mass Transit District Fund prior to
14 January 14, 1991, which has not been paid to the Authority
15 prior to that date, shall be transferred to the Regional
16 Transportation Authority tax fund.

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

25 As soon as possible after the first day of each month,
26 beginning January 1, 2011, upon certification of the Department

1 of Revenue, the Comptroller shall order transferred, and the
2 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
3 local sales tax increment, as defined in the Innovation
4 Development and Economy Act, collected during the second
5 preceding calendar month for sales within a STAR bond district
6 and deposited into the County and Mass Transit District Fund,
7 less 3% of that amount, which shall be transferred into the Tax
8 Compliance and Administration Fund and shall be used by the
9 Department, subject to appropriation, to cover the costs of the
10 Department in administering the Innovation Development and
11 Economy Act.

12 After the monthly transfer to the STAR Bonds Revenue Fund,
13 on or before the 25th day of each calendar month, the
14 Department shall prepare and certify to the Comptroller the
15 disbursement of stated sums of money to the Regional
16 Transportation Authority and to named counties, the counties to
17 be those entitled to distribution, as hereinabove provided, of
18 taxes or penalties paid to the Department during the second
19 preceding calendar month. The amount to be paid to the Regional
20 Transportation Authority and each county having 3,000,000 or
21 fewer inhabitants shall be the amount (not including credit
22 memoranda) collected during the second preceding calendar
23 month by the Department and paid into the County and Mass
24 Transit District Fund, plus an amount the Department determines
25 is necessary to offset any amounts which were erroneously paid
26 to a different taxing body, and not including an amount equal

1 to the amount of refunds made during the second preceding
2 calendar month by the Department, and not including any amount
3 which the Department determines is necessary to offset any
4 amounts which were payable to a different taxing body but were
5 erroneously paid to the Regional Transportation Authority or
6 county, and not including any amounts that are transferred to
7 the STAR Bonds Revenue Fund, less 1.5% of the amount to be paid
8 to the Regional Transportation Authority, which shall be
9 transferred into the Tax Compliance and Administration Fund.
10 The Department, at the time of each monthly disbursement to the
11 Regional Transportation Authority, shall prepare and certify
12 to the State Comptroller the amount to be transferred into the
13 Tax Compliance and Administration Fund under this Section.
14 Within 10 days after receipt, by the Comptroller, of the
15 disbursement certification to the Regional Transportation
16 Authority, counties, and the Tax Compliance and Administration
17 Fund provided for in this Section to be given to the
18 Comptroller by the Department, the Comptroller shall cause the
19 orders to be drawn for the respective amounts in accordance
20 with the directions contained in such certification.

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

1 misallocation is discovered.

2 The provisions directing the distributions from the
3 special fund in the State Treasury provided for in this Section
4 and from the Regional Transportation Authority tax fund created
5 by Section 4.03 of the Regional Transportation Authority Act
6 shall constitute an irrevocable and continuing appropriation
7 of all amounts as provided herein. The State Treasurer and
8 State Comptroller are hereby authorized to make distributions
9 as provided in this Section.

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

19 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

20 Section 10. The Use Tax Act is amended by changing Sections
21 3-6, 3-10, and 9 as follows:

22 (35 ILCS 105/3-6)

23 Sec. 3-6. Sales tax holiday items.

24 (a) The tangible personal property described in this

1 subsection qualifies for the 1.25% reduced rate of tax during
2 ~~for the period set forth in Section 3-10 of this Act~~
3 ~~(hereinafter referred to as the Sales Tax Holiday Period)~~. The
4 reduced rate on these items shall be administered under the
5 provisions of subsection (b) of this Section. The following
6 items are subject to the reduced rate:

7 (1) Clothing items that each have a retail selling
8 price of less than \$100.

9 "Clothing" means, unless otherwise specified in this
10 Section, all human wearing apparel suitable for general
11 use. "Clothing" does not include clothing accessories,
12 protective equipment, or sport or recreational equipment.
13 "Clothing" includes, but is not limited to: household and
14 shop aprons; athletic supporters; bathing suits and caps;
15 belts and suspenders; boots; coats and jackets; ear muffs;
16 footlets; gloves and mittens for general use; hats and
17 caps; hosiery; insoles for shoes; lab coats; neckties;
18 overshoes; pantyhose; rainwear; rubber pants; sandals;
19 scarves; shoes and shoelaces; slippers; sneakers; socks
20 and stockings; steel-toed shoes; underwear; and school
21 uniforms.

22 "Clothing accessories" means, but is not limited to:
23 briefcases; cosmetics; hair notions, including, but not
24 limited to barrettes, hair bows, and hair nets; handbags;
25 handkerchiefs; jewelry; non-prescription sunglasses;
26 umbrellas; wallets; watches; and wigs and hair pieces.

1 "Protective equipment" means, but is not limited to:
2 breathing masks; clean room apparel and equipment; ear and
3 hearing protectors; face shields; hard hats; helmets;
4 paint or dust respirators; protective gloves; safety
5 glasses and goggles; safety belts; tool belts; and welder's
6 gloves and masks.

7 "Sport or recreational equipment" means, but is not
8 limited to: ballet and tap shoes; cleated or spiked
9 athletic shoes; gloves, including, but not limited to,
10 baseball, bowling, boxing, hockey, and golf gloves;
11 goggles; hand and elbow guards; life preservers and vests;
12 mouth guards; roller and ice skates; shin guards; shoulder
13 pads; ski boots; waders; and wetsuits and fins.

14 (2) School supplies. "School supplies" means, unless
15 otherwise specified in this Section, items used by a
16 student in a course of study. The purchase of school
17 supplies for use by persons other than students for use in
18 a course of study are not eligible for the reduced rate of
19 tax. "School supplies" do not include school art supplies;
20 school instructional materials; cameras; film and memory
21 cards; videocameras, tapes, and videotapes; computers;
22 cell phones; Personal Digital Assistants (PDAs); handheld
23 electronic schedulers; and school computer supplies.

24 "School supplies" includes, but is not limited to:
25 binders; book bags; calculators; cellophane tape;
26 blackboard chalk; compasses; composition books; crayons;

1 erasers; expandable, pocket, plastic, and manila folders;
2 glue, paste, and paste sticks; highlighters; index cards;
3 index card boxes; legal pads; lunch boxes; markers;
4 notebooks; paper, including loose leaf ruled notebook
5 paper, copy paper, graph paper, tracing paper, manila
6 paper, colored paper, poster board, and construction
7 paper; pencils; pencil leads; pens; ink and ink refills for
8 pens; pencil boxes and other school supply boxes; pencil
9 sharpeners; protractors; rulers; scissors; and writing
10 tablets.

11 "School art supply" means an item commonly used by a
12 student in a course of study for artwork and includes only
13 the following items: clay and glazes; acrylic, tempera, and
14 oil paint; paintbrushes for artwork; sketch and drawing
15 pads; and watercolors.

16 "School instructional material" means written material
17 commonly used by a student in a course of study as a
18 reference and to learn the subject being taught and
19 includes only the following items: reference books;
20 reference maps and globes; textbooks; and workbooks.

21 "School computer supply" means an item commonly used by
22 a student in a course of study in which a computer is used
23 and applies only to the following items: flashdrives and
24 other computer data storage devices; data storage media,
25 such as diskettes and compact disks; boxes and cases for
26 disk storage; external ports or drives; computer cases;

1 computer cables; computer printers; and printer
2 cartridges, toner, and ink.

3 (b) Administration. Notwithstanding any other provision of
4 this Act, the reduced rate of tax under Section 3-10 of this
5 Act for clothing and school supplies shall be administered by
6 the Department under the provisions of this subsection (b).

7 (1) Bundled sales. Items that qualify for the reduced
8 rate of tax that are bundled together with items that do
9 not qualify for the reduced rate of tax and that are sold
10 for one itemized price will be subject to the reduced rate
11 of tax only if the value of the items that qualify for the
12 reduced rate of tax exceeds the value of the items that do
13 not qualify for the reduced rate of tax.

14 (2) Coupons and discounts. An unreimbursed discount by
15 the seller reduces the sales price of the property so that
16 the discounted sales price determines whether the sales
17 price is within a sales tax holiday price threshold. A
18 coupon or other reduction in the sales price is treated as
19 a discount if the seller is not reimbursed for the coupon
20 or reduction amount by a third party.

21 (3) Splitting of items normally sold together.
22 Articles that are normally sold as a single unit must
23 continue to be sold in that manner. Such articles cannot be
24 priced separately and sold as individual items in order to
25 obtain the reduced rate of tax. For example, a pair of
26 shoes cannot have each shoe sold separately so that the

1 sales price of each shoe is within a sales tax holiday
2 price threshold.

3 (4) Rain checks. A rain check is a procedure that
4 allows a customer to purchase an item at a certain price at
5 a later time because the particular item was out of stock.
6 Eligible property that customers purchase during the Sales
7 Tax Holiday Period with the use of a rain check will
8 qualify for the reduced rate of tax regardless of when the
9 rain check was issued. Issuance of a rain check during the
10 Sales Tax Holiday Period will not qualify eligible property
11 for the reduced rate of tax if the property is actually
12 purchased after the Sales Tax Holiday Period.

13 (5) Exchanges. The procedure for an exchange in regards
14 to a sales tax holiday is as follows:

15 (A) If a customer purchases an item of eligible
16 property during the Sales Tax Holiday Period, but later
17 exchanges the item for a similar eligible item, even if
18 a different size, different color, or other feature, no
19 additional tax is due even if the exchange is made
20 after the Sales Tax Holiday Period.

21 (B) If a customer purchases an item of eligible
22 property during the Sales Tax Holiday Period, but after
23 the Sales Tax Holiday Period has ended, the customer
24 returns the item and receives credit on the purchase of
25 a different item, the 6.25% general merchandise sales
26 tax rate is due on the sale of the newly purchased

1 item.

2 (C) If a customer purchases an item of eligible
3 property before the Sales Tax Holiday Period, but
4 during the Sales Tax Holiday Period the customer
5 returns the item and receives credit on the purchase of
6 a different item of eligible property, the reduced rate
7 of tax is due on the sale of the new item if the new
8 item is purchased during the Sales Tax Holiday Period.

9 (6) Delivery charges. Delivery charges, including
10 shipping, handling and service charges, are part of the
11 sales price of eligible property.

12 (7) Order date and back orders. For the purpose of a
13 sales tax holiday, eligible property qualifies for the
14 reduced rate of tax if: (i) the item is both delivered to
15 and paid for by the customer during the Sales Tax Holiday
16 Period or (ii) the customer orders and pays for the item
17 and the seller accepts the order during the Sales Tax
18 Holiday Period for immediate shipment, even if delivery is
19 made after the Sales Tax Holiday Period. The seller accepts
20 an order when the seller has taken action to fill the order
21 for immediate shipment. Actions to fill an order include
22 placement of an "in date" stamp on an order or assignment
23 of an "order number" to an order within the Sales Tax
24 Holiday Period. An order is for immediate shipment when the
25 customer does not request delayed shipment. An order is for
26 immediate shipment notwithstanding that the shipment may

1 be delayed because of a backlog of orders or because stock
2 is currently unavailable to, or on back order by, the
3 seller.

4 (8) Returns. For a 60-day period immediately after the
5 Sales Tax Holiday Period, if a customer returns an item
6 that would qualify for the reduced rate of tax, credit for
7 or refund of sales tax shall be given only at the reduced
8 rate unless the customer provides a receipt or invoice that
9 shows tax was paid at the 6.25% general merchandise rate,
10 or the seller has sufficient documentation to show that tax
11 was paid at the 6.25% general merchandise rate on the
12 specific item. This 60-day period is set solely for the
13 purpose of designating a time period during which the
14 customer must provide documentation that shows that the
15 appropriate sales tax rate was paid on returned
16 merchandise. The 60-day period is not intended to change a
17 seller's policy on the time period during which the seller
18 will accept returns.

19 (c) The Department may implement the provisions of this
20 Section through the use of emergency rules, along with
21 permanent rules filed concurrently with such emergency rules,
22 in accordance with the provisions of Section 5-45 of the
23 Illinois Administrative Procedure Act. For purposes of the
24 Illinois Administrative Procedure Act, the adoption of rules to
25 implement the provisions of this Section shall be deemed an
26 emergency and necessary for the public interest, safety, and

1 welfare.

2 (d) As used in this Act, "Sales Tax Holiday Period" means
3 the period beginning on August 6, 2010 and ending on August 15,
4 2010 and the period beginning on August 2, 2020 and ending on
5 August 8, 2020.

6 (Source: P.A. 96-1012, eff. 7-7-10.)

7 (35 ILCS 105/3-10)

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

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

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

8 During the Sales Tax Holiday Period, as defined in Section
9 3-6 of this Act Beginning on August 6, 2010 through August 15,
10 2010, with respect to sales tax holiday items as defined in
11 Section 3-6 of this Act, the tax is imposed at the rate of
12 1.25%.

13 With respect to gasohol, the tax imposed by this Act
14 applies to (i) 70% of the proceeds of sales made on or after
15 January 1, 1990, and before July 1, 2003, (ii) 80% of the
16 proceeds of sales made on or after July 1, 2003 and on or
17 before July 1, 2017, and (iii) 100% of the proceeds of sales
18 made thereafter. If, at any time, however, the tax under this
19 Act on sales of gasohol is imposed at the rate of 1.25%, then
20 the tax imposed by this Act applies to 100% of the proceeds of
21 sales of gasohol made during that time.

22 With respect to majority blended ethanol fuel, the tax
23 imposed by this Act does not apply to the proceeds of sales
24 made on or after July 1, 2003 and on or before December 31,
25 2023 but applies to 100% of the proceeds of sales made
26 thereafter.

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

11 With respect to 100% biodiesel and biodiesel blends with
12 more than 10% but no more than 99% biodiesel, the tax imposed
13 by this Act does not apply to the proceeds of sales made on or
14 after July 1, 2003 and on or before December 31, 2023 but
15 applies to 100% of the proceeds of sales made thereafter.

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

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

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

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

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

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

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

1 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
2 label includes:

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

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

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

12 As used in this Section, "adult use cannabis" means
13 cannabis subject to tax under the Cannabis Cultivation
14 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and
15 does not include cannabis subject to tax under the
16 Compassionate Use of Medical Cannabis Program Act.

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

24 (Source: P.A. 100-22, eff. 7-6-17; 101-363, eff. 8-9-19;
25 101-593, eff. 12-4-19.)

1 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

2 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
3 and trailers that are required to be registered with an agency
4 of this State, each retailer required or authorized to collect
5 the tax imposed by this Act shall pay to the Department the
6 amount of such tax (except as otherwise provided) at the time
7 when he is required to file his return for the period during
8 which such tax was collected, less a discount of 2.1% prior to
9 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
10 per calendar year, whichever is greater, which is allowed to
11 reimburse the retailer for expenses incurred in collecting the
12 tax, keeping records, preparing and filing returns, remitting
13 the tax and supplying data to the Department on request. The
14 discount under this Section is not allowed for the 1.25%
15 portion of taxes paid on aviation fuel that is subject to the
16 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
17 47133. In the case of retailers who report and pay the tax on a
18 transaction by transaction basis, as provided in this Section,
19 such discount shall be taken with each such tax remittance
20 instead of when such retailer files his periodic return. The
21 discount allowed under this Section is allowed only for returns
22 that are filed in the manner required by this Act. The
23 Department may disallow the discount for retailers whose
24 certificate of registration is revoked at the time the return
25 is filed, but only if the Department's decision to revoke the
26 certificate of registration has become final. A retailer need

1 not remit that part of any tax collected by him to the extent
2 that he is required to remit and does remit the tax imposed by
3 the Retailers' Occupation Tax Act, with respect to the sale of
4 the same property.

5 Where such tangible personal property is sold under a
6 conditional sales contract, or under any other form of sale
7 wherein the payment of the principal sum, or a part thereof, is
8 extended beyond the close of the period for which the return is
9 filed, the retailer, in collecting the tax (except as to motor
10 vehicles, watercraft, aircraft, and trailers that are required
11 to be registered with an agency of this State), may collect for
12 each tax return period, only the tax applicable to that part of
13 the selling price actually received during such tax return
14 period.

15 Except as provided in this Section, on or before the
16 twentieth day of each calendar month, such retailer shall file
17 a return for the preceding calendar month. Such return shall be
18 filed on forms prescribed by the Department and shall furnish
19 such information as the Department may reasonably require. On
20 and after January 1, 2018, except for returns for motor
21 vehicles, watercraft, aircraft, and trailers that are required
22 to be registered with an agency of this State, with respect to
23 retailers whose annual gross receipts average \$20,000 or more,
24 all returns required to be filed pursuant to this Act shall be
25 filed electronically. Retailers who demonstrate that they do
26 not have access to the Internet or demonstrate hardship in

1 filing electronically may petition the Department to waive the
2 electronic filing requirement.

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

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

25 Each retailer required or authorized to collect the tax
26 imposed by this Act on aviation fuel sold at retail in this

1 State during the preceding calendar month shall, instead of
2 reporting and paying tax on aviation fuel as otherwise required
3 by this Section, report and pay such tax on a separate aviation
4 fuel tax return. The requirements related to the return shall
5 be as otherwise provided in this Section. Notwithstanding any
6 other provisions of this Act to the contrary, retailers
7 collecting tax on aviation fuel shall file all aviation fuel
8 tax returns and shall make all aviation fuel tax payments by
9 electronic means in the manner and form required by the
10 Department. For purposes of this Section, "aviation fuel" means
11 jet fuel and aviation gasoline.

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

16 Notwithstanding any other provision of this Act to the
17 contrary, retailers subject to tax on cannabis shall file all
18 cannabis tax returns and shall make all cannabis tax payments
19 by electronic means in the manner and form required by the
20 Department.

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

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

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

25 Any taxpayer not required to make payments by electronic
26 funds transfer may make payments by electronic funds transfer

1 with the permission of the Department.

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

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

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

1 liability is incurred. If the month during which such tax
2 liability is incurred began prior to January 1, 1985, each
3 payment shall be in an amount equal to 1/4 of the taxpayer's
4 actual liability for the month or an amount set by the
5 Department not to exceed 1/4 of the average monthly liability
6 of the taxpayer to the Department for the preceding 4 complete
7 calendar quarters (excluding the month of highest liability and
8 the month of lowest liability in such 4 quarter period). If the
9 month during which such tax liability is incurred begins on or
10 after January 1, 1985, and prior to January 1, 1987, each
11 payment shall be in an amount equal to 22.5% of the taxpayer's
12 actual liability for the month or 27.5% of the taxpayer's
13 liability for the same calendar month of the preceding year. If
14 the month during which such tax liability is incurred begins on
15 or after January 1, 1987, and prior to January 1, 1988, each
16 payment shall be in an amount equal to 22.5% of the taxpayer's
17 actual liability for the month or 26.25% of the taxpayer's
18 liability for the same calendar month of the preceding year. If
19 the month during which such tax liability is incurred begins on
20 or after January 1, 1988, and prior to January 1, 1989, or
21 begins on or after January 1, 1996, each payment shall be in an
22 amount equal to 22.5% of the taxpayer's actual liability for
23 the month or 25% of the taxpayer's liability for the same
24 calendar month of the preceding year. If the month during which
25 such tax liability is incurred begins on or after January 1,
26 1989, and prior to January 1, 1996, each payment shall be in an

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

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

25 If any such payment provided for in this Section exceeds
26 the taxpayer's liabilities under this Act, the Retailers'

1 Occupation Tax Act, the Service Occupation Tax Act and the
2 Service Use Tax Act, as shown by an original monthly return,
3 the Department shall issue to the taxpayer a credit memorandum
4 no later than 30 days after the date of payment, which
5 memorandum may be submitted by the taxpayer to the Department
6 in payment of tax liability subsequently to be remitted by the
7 taxpayer to the Department or be assigned by the taxpayer to a
8 similar taxpayer under this Act, the Retailers' Occupation Tax
9 Act, the Service Occupation Tax Act or the Service Use Tax Act,
10 in accordance with reasonable rules and regulations to be
11 prescribed by the Department, except that if such excess
12 payment is shown on an original monthly return and is made
13 after December 31, 1986, no credit memorandum shall be issued,
14 unless requested by the taxpayer. If no such request is made,
15 the taxpayer may credit such excess payment against tax
16 liability subsequently to be remitted by the taxpayer to the
17 Department under this Act, the Retailers' Occupation Tax Act,
18 the Service Occupation Tax Act or the Service Use Tax Act, in
19 accordance with reasonable rules and regulations prescribed by
20 the Department. If the Department subsequently determines that
21 all or any part of the credit taken was not actually due to the
22 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
23 be reduced by 2.1% or 1.75% of the difference between the
24 credit taken and that actually due, and the taxpayer shall be
25 liable for penalties and interest on such difference.

26 If the retailer is otherwise required to file a monthly

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

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

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

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

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

24 In addition, with respect to motor vehicles, watercraft,
25 aircraft, and trailers that are required to be registered with
26 an agency of this State, every person who is engaged in the

1 business of leasing or renting such items and who, in
2 connection with such business, sells any such item to a
3 retailer for the purpose of resale is, notwithstanding any
4 other provision of this Section to the contrary, authorized to
5 meet the return-filing requirement of this Act by reporting the
6 transfer of all the aircraft, watercraft, motor vehicles, or
7 trailers transferred for resale during a month to the
8 Department on the same uniform invoice-transaction reporting
9 return form on or before the 20th of the month following the
10 month in which the transfer takes place. Notwithstanding any
11 other provision of this Act to the contrary, all returns filed
12 under this paragraph must be filed by electronic means in the
13 manner and form as required by the Department.

14 The transaction reporting return in the case of motor
15 vehicles or trailers that are required to be registered with an
16 agency of this State, shall be the same document as the Uniform
17 Invoice referred to in Section 5-402 of the Illinois Vehicle
18 Code and must show the name and address of the seller; the name
19 and address of the purchaser; the amount of the selling price
20 including the amount allowed by the retailer for traded-in
21 property, if any; the amount allowed by the retailer for the
22 traded-in tangible personal property, if any, to the extent to
23 which Section 2 of this Act allows an exemption for the value
24 of traded-in property; the balance payable after deducting such
25 trade-in allowance from the total selling price; the amount of
26 tax due from the retailer with respect to such transaction; the

1 amount of tax collected from the purchaser by the retailer on
2 such transaction (or satisfactory evidence that such tax is not
3 due in that particular instance, if that is claimed to be the
4 fact); the place and date of the sale; a sufficient
5 identification of the property sold; such other information as
6 is required in Section 5-402 of the Illinois Vehicle Code, and
7 such other information as the Department may reasonably
8 require.

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

25 Such transaction reporting return shall be filed not later
26 than 20 days after the date of delivery of the item that is

1 being sold, but may be filed by the retailer at any time sooner
2 than that if he chooses to do so. The transaction reporting
3 return and tax remittance or proof of exemption from the tax
4 that is imposed by this Act may be transmitted to the
5 Department by way of the State agency with which, or State
6 officer with whom, the tangible personal property must be
7 titled or registered (if titling or registration is required)
8 if the Department and such agency or State officer determine
9 that this procedure will expedite the processing of
10 applications for title or registration.

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

24 No retailer's failure or refusal to remit tax under this
25 Act precludes a user, who has paid the proper tax to the
26 retailer, from obtaining his certificate of title or other

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

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

24 Where a retailer collects the tax with respect to the
25 selling price of tangible personal property which he sells and
26 the purchaser thereafter returns such tangible personal

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

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

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

1 Acts on the one form.

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

7 Beginning January 1, 1990, each month the Department shall
8 pay into the State and Local Sales Tax Reform Fund, a special
9 fund in the State Treasury which is hereby created, the net
10 revenue realized for the preceding month from the 1% tax
11 imposed under this Act.

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

19 Beginning January 1, 1990, each month the Department shall
20 pay into the State and Local Sales Tax Reform Fund, a special
21 fund in the State Treasury, 20% of the net revenue realized for
22 the preceding month from the 6.25% general rate on the selling
23 price of tangible personal property, other than (i) tangible
24 personal property which is purchased outside Illinois at retail
25 from a retailer and which is titled or registered by an agency
26 of this State's government and (ii) aviation fuel sold on or

1 after December 1, 2019. This exception for aviation fuel only
2 applies for so long as the revenue use requirements of 49
3 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

4 For aviation fuel sold on or after December 1, 2019, each
5 month the Department shall pay into the State Aviation Program
6 Fund 20% of the net revenue realized for the preceding month
7 from the 6.25% general rate on the selling price of aviation
8 fuel, less an amount estimated by the Department to be required
9 for refunds of the 20% portion of the tax on aviation fuel
10 under this Act, which amount shall be deposited into the
11 Aviation Fuel Sales Tax Refund Fund. The Department shall only
12 pay moneys into the State Aviation Program Fund and the
13 Aviation Fuels Sales Tax Refund Fund under this Act for so long
14 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
15 U.S.C. 47133 are binding on the State.

16 Beginning August 1, 2000, each month the Department shall
17 pay into the State and Local Sales Tax Reform Fund 100% of the
18 net revenue realized for the preceding month from the 1.25%
19 rate on the selling price of motor fuel and gasohol. Beginning
20 September 1, 2010, and beginning again on September 1, 2020,
21 each month the Department shall pay into the State and Local
22 Sales Tax Reform Fund 100% of the net revenue realized for the
23 preceding month from the 1.25% rate on the selling price of
24 sales tax holiday items.

25 Beginning January 1, 1990, each month the Department shall
26 pay into the Local Government Tax Fund 16% of the net revenue

1 realized for the preceding month from the 6.25% general rate on
2 the selling price of tangible personal property which is
3 purchased outside Illinois at retail from a retailer and which
4 is titled or registered by an agency of this State's
5 government.

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

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

22 Beginning July 1, 2013, each month the Department shall pay
23 into the Underground Storage Tank Fund from the proceeds
24 collected under this Act, the Service Use Tax Act, the Service
25 Occupation Tax Act, and the Retailers' Occupation Tax Act an
26 amount equal to the average monthly deficit in the Underground

1 Storage Tank Fund during the prior year, as certified annually
2 by the Illinois Environmental Protection Agency, but the total
3 payment into the Underground Storage Tank Fund under this Act,
4 the Service Use Tax Act, the Service Occupation Tax Act, and
5 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
6 in any State fiscal year. As used in this paragraph, the
7 "average monthly deficit" shall be equal to the difference
8 between the average monthly claims for payment by the fund and
9 the average monthly revenues deposited into the fund, excluding
10 payments made pursuant to this paragraph.

11 Beginning July 1, 2015, of the remainder of the moneys
12 received by the Department under this Act, the Service Use Tax
13 Act, the Service Occupation Tax Act, and the Retailers'
14 Occupation Tax Act, each month the Department shall deposit
15 \$500,000 into the State Crime Laboratory Fund.

16 Of the remainder of the moneys received by the Department
17 pursuant to this Act, (a) 1.75% thereof shall be paid into the
18 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
19 and after July 1, 1989, 3.8% thereof shall be paid into the
20 Build Illinois Fund; provided, however, that if in any fiscal
21 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
22 may be, of the moneys received by the Department and required
23 to be paid into the Build Illinois Fund pursuant to Section 3
24 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
25 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
26 Service Occupation Tax Act, such Acts being hereinafter called

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

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

1 Build Illinois Fund are subject to the pledge, claim and charge
2 set forth in Section 12 of the Build Illinois Bond Act.

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

15	Fiscal Year	Total Deposit
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000
26	2003	99,000,000

1	2004	103,000,000
2	2005	108,000,000
3	2006	113,000,000
4	2007	119,000,000
5	2008	126,000,000
6	2009	132,000,000
7	2010	139,000,000
8	2011	146,000,000
9	2012	153,000,000
10	2013	161,000,000
11	2014	170,000,000
12	2015	179,000,000
13	2016	189,000,000
14	2017	199,000,000
15	2018	210,000,000
16	2019	221,000,000
17	2020	233,000,000
18	2021	246,000,000
19	2022	260,000,000
20	2023	275,000,000
21	2024	275,000,000
22	2025	275,000,000
23	2026	279,000,000
24	2027	292,000,000
25	2028	307,000,000
26	2029	322,000,000

1	2030	338,000,000
2	2031	350,000,000
3	2032	350,000,000

4 and

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2060.

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

25 Subject to payment of amounts into the Capital Projects
26 Fund, the Clean Air Act Permit Fund, 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, for aviation fuel sold on or after December 1, 2019,
4 the Department shall each month deposit into the Aviation Fuel
5 Sales Tax Refund Fund an amount estimated by the Department to
6 be required for refunds of the 80% portion of the tax on
7 aviation fuel under this Act. The Department shall only deposit
8 moneys into the Aviation Fuel Sales Tax Refund Fund under this
9 paragraph for so long as the revenue use requirements of 49
10 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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

19 Subject to payment of amounts into the Build Illinois Fund
20 and the McCormick Place Expansion Project Fund pursuant to the
21 preceding paragraphs or in any amendments thereto hereafter
22 enacted, beginning with the receipt of the first report of
23 taxes paid by an eligible business and continuing for a 25-year
24 period, the Department shall each month pay into the Energy
25 Infrastructure Fund 80% of the net revenue realized from the
26 6.25% general rate on the selling price of Illinois-mined coal

1 that was sold to an eligible business. For purposes of this
2 paragraph, the term "eligible business" means a new electric
3 generating facility certified pursuant to Section 605-332 of
4 the Department of Commerce and Economic Opportunity Law of the
5 Civil Administrative Code of Illinois.

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

25 Subject to payments of amounts into the Build Illinois
26 Fund, the McCormick Place Expansion Project Fund, the Illinois

1 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
2 Compliance and Administration Fund as provided in this Section,
3 beginning on July 1, 2018 the Department shall pay each month
4 into the Downstate Public Transportation Fund the moneys
5 required to be so paid under Section 2-3 of the Downstate
6 Public Transportation Act.

7 Subject to successful execution and delivery of a
8 public-private agreement between the public agency and private
9 entity and completion of the civic build, beginning on July 1,
10 2023, of the remainder of the moneys received by the Department
11 under the Use Tax Act, the Service Use Tax Act, the Service
12 Occupation Tax Act, and this Act, the Department shall deposit
13 the following specified deposits in the aggregate from
14 collections under the Use Tax Act, the Service Use Tax Act, the
15 Service Occupation Tax Act, and the Retailers' Occupation Tax
16 Act, as required under Section 8.25g of the State Finance Act
17 for distribution consistent with the Public-Private
18 Partnership for Civic and Transit Infrastructure Project Act.
19 The moneys received by the Department pursuant to this Act and
20 required to be deposited into the Civic and Transit
21 Infrastructure Fund are subject to the pledge, claim, and
22 charge set forth in Section 25-55 of the Public-Private
23 Partnership for Civic and Transit Infrastructure Project Act.
24 As used in this paragraph, "civic build", "private entity",
25 "public-private agreement", and "public agency" have the
26 meanings provided in Section 25-10 of the Public-Private

1 Partnership for Civic and Transit Infrastructure Project Act.

2	Fiscal Year	Total Deposit
3	2024	\$200,000,000
4	2025	\$206,000,000
5	2026	\$212,200,000
6	2027	\$218,500,000
7	2028	\$225,100,000
8	2029	\$288,700,000
9	2030	\$298,900,000
10	2031	\$309,300,000
11	2032	\$320,100,000
12	2033	\$331,200,000
13	2034	\$341,200,000
14	2035	\$351,400,000
15	2036	\$361,900,000
16	2037	\$372,800,000
17	2038	\$384,000,000
18	2039	\$395,500,000
19	2040	\$407,400,000
20	2041	\$419,600,000
21	2042	\$432,200,000
22	2043	\$445,100,000

23 Beginning July 1, 2021 and until July 1, 2022, subject to
24 the payment of amounts into the State and Local Sales Tax
25 Reform Fund, the Build Illinois Fund, the McCormick Place
26 Expansion Project Fund, the Illinois Tax Increment Fund, the

1 Energy Infrastructure Fund, and the Tax Compliance and
2 Administration Fund as provided in this Section, the Department
3 shall pay each month into the Road Fund the amount estimated to
4 represent 16% of the net revenue realized from the taxes
5 imposed on motor fuel and gasohol. Beginning July 1, 2022 and
6 until July 1, 2023, subject to the payment of amounts into the
7 State and Local Sales Tax Reform Fund, the Build Illinois Fund,
8 the McCormick Place Expansion Project Fund, the Illinois Tax
9 Increment Fund, the Energy Infrastructure Fund, and the Tax
10 Compliance and Administration Fund as provided in this Section,
11 the Department shall pay each month into the Road Fund the
12 amount estimated to represent 32% of the net revenue realized
13 from the taxes imposed on motor fuel and gasohol. Beginning
14 July 1, 2023 and until July 1, 2024, subject to the payment of
15 amounts into the State and Local Sales Tax Reform Fund, the
16 Build Illinois Fund, the McCormick Place Expansion Project
17 Fund, the Illinois Tax Increment Fund, the Energy
18 Infrastructure Fund, and the Tax Compliance and Administration
19 Fund as provided in this Section, the Department shall pay each
20 month into the Road Fund the amount estimated to represent 48%
21 of the net revenue realized from the taxes imposed on motor
22 fuel and gasohol. Beginning July 1, 2024 and until July 1,
23 2025, subject to the payment of amounts into the State and
24 Local Sales Tax Reform Fund, the Build Illinois Fund, the
25 McCormick Place Expansion Project Fund, the Illinois Tax
26 Increment Fund, the Energy Infrastructure Fund, and the Tax

1 Compliance and Administration Fund as provided in this Section,
2 the Department shall pay each month into the Road Fund the
3 amount estimated to represent 64% of the net revenue realized
4 from the taxes imposed on motor fuel and gasohol. Beginning on
5 July 1, 2025, subject to the payment of amounts into the State
6 and Local Sales Tax Reform Fund, the Build Illinois Fund, the
7 McCormick Place Expansion Project Fund, the Illinois Tax
8 Increment Fund, the Energy Infrastructure Fund, and the Tax
9 Compliance and Administration Fund as provided in this Section,
10 the Department shall pay each month into the Road Fund the
11 amount estimated to represent 80% of the net revenue realized
12 from the taxes imposed on motor fuel and gasohol. As used in
13 this paragraph "motor fuel" has the meaning given to that term
14 in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the
15 meaning given to that term in Section 3-40 of this Act.

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

22 As soon as possible after the first day of each month, upon
23 certification of the Department of Revenue, the Comptroller
24 shall order transferred and the Treasurer shall transfer from
25 the General Revenue Fund to the Motor Fuel Tax Fund an amount
26 equal to 1.7% of 80% of the net revenue realized under this Act

1 for the second preceding month. Beginning April 1, 2000, this
2 transfer is no longer required and shall not be made.

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

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

14 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
15 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
16 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section
17 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
18 6-28-19; 101-604, eff. 12-13-19.)

19 Section 15. The Retailers' Occupation Tax Act is amended by
20 changing Sections 2-8, 2-10, and 3 as follows:

21 (35 ILCS 120/2-8)

22 Sec. 2-8. Sales tax holiday items.

23 (a) The tangible personal property described in this
24 subsection qualifies for the 1.25% reduced rate of tax during

1 ~~for the period set forth in Section 2-10 of this Act~~
2 ~~(hereinafter referred to as the Sales Tax Holiday Period)~~. The
3 reduced rate on these items shall be administered under the
4 provisions of subsection (b) of this Section. The following
5 items are subject to the reduced rate:

6 (1) Clothing items that each have a retail selling
7 price of less than \$100.

8 "Clothing" means, unless otherwise specified in this
9 Section, all human wearing apparel suitable for general
10 use. "Clothing" does not include clothing accessories,
11 protective equipment, or sport or recreational equipment.

12 "Clothing" includes, but is not limited to: household and
13 shop aprons; athletic supporters; bathing suits and caps;
14 belts and suspenders; boots; coats and jackets; ear muffs;
15 footlets; gloves and mittens for general use; hats and
16 caps; hosiery; insoles for shoes; lab coats; neckties;
17 overshoes; pantyhose; rainwear; rubber pants; sandals;
18 scarves; shoes and shoelaces; slippers; sneakers; socks
19 and stockings; steel-toed shoes; underwear; and school
20 uniforms.

21 "Clothing accessories" means, but is not limited to:
22 briefcases; cosmetics; hair notions, including, but not
23 limited to barrettes, hair bows, and hair nets; handbags;
24 handkerchiefs; jewelry; non-prescription sunglasses;
25 umbrellas; wallets; watches; and wigs and hair pieces.

26 "Protective equipment" means, but is not limited to:

1 breathing masks; clean room apparel and equipment; ear and
2 hearing protectors; face shields; hard hats; helmets;
3 paint or dust respirators; protective gloves; safety
4 glasses and goggles; safety belts; tool belts; and welder's
5 gloves and masks.

6 "Sport or recreational equipment" means, but is not
7 limited to: ballet and tap shoes; cleated or spiked
8 athletic shoes; gloves, including, but not limited to,
9 baseball, bowling, boxing, hockey, and golf gloves;
10 goggles; hand and elbow guards; life preservers and vests;
11 mouth guards; roller and ice skates; shin guards; shoulder
12 pads; ski boots; waders; and wetsuits and fins.

13 (2) School supplies. "School supplies" means, unless
14 otherwise specified in this Section, items used by a
15 student in a course of study. The purchase of school
16 supplies for use by persons other than students for use in
17 a course of study are not eligible for the reduced rate of
18 tax. "School supplies" do not include school art supplies;
19 school instructional materials; cameras; film and memory
20 cards; videocameras, tapes, and videotapes; computers;
21 cell phones; Personal Digital Assistants (PDAs); handheld
22 electronic schedulers; and school computer supplies.

23 "School supplies" includes, but is not limited to:
24 binders; book bags; calculators; cellophane tape;
25 blackboard chalk; compasses; composition books; crayons;
26 erasers; expandable, pocket, plastic, and manila folders;

1 glue, paste, and paste sticks; highlighters; index cards;
2 index card boxes; legal pads; lunch boxes; markers;
3 notebooks; paper, including loose leaf ruled notebook
4 paper, copy paper, graph paper, tracing paper, manila
5 paper, colored paper, poster board, and construction
6 paper; pencils; pencil leads; pens; ink and ink refills for
7 pens; pencil boxes and other school supply boxes; pencil
8 sharpeners; protractors; rulers; scissors; and writing
9 tablets.

10 "School art supply" means an item commonly used by a
11 student in a course of study for artwork and includes only
12 the following items: clay and glazes; acrylic, tempera, and
13 oil paint; paintbrushes for artwork; sketch and drawing
14 pads; and watercolors.

15 "School instructional material" means written material
16 commonly used by a student in a course of study as a
17 reference and to learn the subject being taught and
18 includes only the following items: reference books;
19 reference maps and globes; textbooks; and workbooks.

20 "School computer supply" means an item commonly used by
21 a student in a course of study in which a computer is used
22 and applies only to the following items: flashdrives and
23 other computer data storage devices; data storage media,
24 such as diskettes and compact disks; boxes and cases for
25 disk storage; external ports or drives; computer cases;
26 computer cables; computer printers; and printer

1 cartridges, toner, and ink.

2 (b) Administration. Notwithstanding any other provision of
3 this Act, the reduced rate of tax under Section 3-10 of this
4 Act for clothing and school supplies shall be administered by
5 the Department under the provisions of this subsection (b).

6 (1) Bundled sales. Items that qualify for the reduced
7 rate of tax that are bundled together with items that do
8 not qualify for the reduced rate of tax and that are sold
9 for one itemized price will be subject to the reduced rate
10 of tax only if the value of the items that qualify for the
11 reduced rate of tax exceeds the value of the items that do
12 not qualify for the reduced rate of tax.

13 (2) Coupons and discounts. An unreimbursed discount by
14 the seller reduces the sales price of the property so that
15 the discounted sales price determines whether the sales
16 price is within a sales tax holiday price threshold. A
17 coupon or other reduction in the sales price is treated as
18 a discount if the seller is not reimbursed for the coupon
19 or reduction amount by a third party.

20 (3) Splitting of items normally sold together.
21 Articles that are normally sold as a single unit must
22 continue to be sold in that manner. Such articles cannot be
23 priced separately and sold as individual items in order to
24 obtain the reduced rate of tax. For example, a pair of
25 shoes cannot have each shoe sold separately so that the
26 sales price of each shoe is within a sales tax holiday

1 price threshold.

2 (4) Rain checks. A rain check is a procedure that
3 allows a customer to purchase an item at a certain price at
4 a later time because the particular item was out of stock.
5 Eligible property that customers purchase during the Sales
6 Tax Holiday Period with the use of a rain check will
7 qualify for the reduced rate of tax regardless of when the
8 rain check was issued. Issuance of a rain check during the
9 Sales Tax Holiday Period will not qualify eligible property
10 for the reduced rate of tax if the property is actually
11 purchased after the Sales Tax Holiday Period.

12 (5) Exchanges. The procedure for an exchange in regards
13 to a sales tax holiday is as follows:

14 (A) If a customer purchases an item of eligible
15 property during the Sales Tax Holiday Period, but later
16 exchanges the item for a similar eligible item, even if
17 a different size, different color, or other feature, no
18 additional tax is due even if the exchange is made
19 after the Sales Tax Holiday Period.

20 (B) If a customer purchases an item of eligible
21 property during the Sales Tax Holiday Period, but after
22 the Sales Tax Holiday Period has ended, the customer
23 returns the item and receives credit on the purchase of
24 a different item, the 6.25% general merchandise sales
25 tax rate is due on the sale of the newly purchased
26 item.

1 (C) If a customer purchases an item of eligible
2 property before the Sales Tax Holiday Period, but
3 during the Sales Tax Holiday Period the customer
4 returns the item and receives credit on the purchase of
5 a different item of eligible property, the reduced rate
6 of tax is due on the sale of the new item if the new
7 item is purchased during the Sales Tax Holiday Period.

8 (6) Delivery charges. Delivery charges, including
9 shipping, handling and service charges, are part of the
10 sales price of eligible property.

11 (7) Order date and back orders. For the purpose of a
12 sales tax holiday, eligible property qualifies for the
13 reduced rate of tax if: (i) the item is both delivered to
14 and paid for by the customer during the Sales Tax Holiday
15 Period or (ii) the customer orders and pays for the item
16 and the seller accepts the order during the Sales Tax
17 Holiday Period for immediate shipment, even if delivery is
18 made after the Sales Tax Holiday Period. The seller accepts
19 an order when the seller has taken action to fill the order
20 for immediate shipment. Actions to fill an order include
21 placement of an "in date" stamp on an order or assignment
22 of an "order number" to an order within the Sales Tax
23 Holiday Period. An order is for immediate shipment when the
24 customer does not request delayed shipment. An order is for
25 immediate shipment notwithstanding that the shipment may
26 be delayed because of a backlog of orders or because stock

1 is currently unavailable to, or on back order by, the
2 seller.

3 (8) Returns. For a 60-day period immediately after the
4 Sales Tax Holiday Period, if a customer returns an item
5 that would qualify for the reduced rate of tax, credit for
6 or refund of sales tax shall be given only at the reduced
7 rate unless the customer provides a receipt or invoice that
8 shows tax was paid at the 6.25% general merchandise rate,
9 or the seller has sufficient documentation to show that tax
10 was paid at the 6.25% general merchandise rate on the
11 specific item. This 60-day period is set solely for the
12 purpose of designating a time period during which the
13 customer must provide documentation that shows that the
14 appropriate sales tax rate was paid on returned
15 merchandise. The 60-day period is not intended to change a
16 seller's policy on the time period during which the seller
17 will accept returns.

18 (c) The Department may implement the provisions of this
19 Section through the use of emergency rules, along with
20 permanent rules filed concurrently with such emergency rules,
21 in accordance with the provisions of Section 5-45 of the
22 Illinois Administrative Procedure Act. For purposes of the
23 Illinois Administrative Procedure Act, the adoption of rules to
24 implement the provisions of this Section shall be deemed an
25 emergency and necessary for the public interest, safety, and
26 welfare.

1 (d) As used in this Act, "Sales Tax Holiday Period" means
2 the period beginning on August 6, 2010 and ending on August 15,
3 2010 and the period beginning on August 2, 2020 and ending on
4 August 8, 2020.

5 (Source: P.A. 96-1012, eff. 7-7-10.)

6 (35 ILCS 120/2-10)

7 Sec. 2-10. 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 gross receipts from sales of tangible personal property made in
10 the course of business.

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

15 During the Sales Tax Holiday Period, as defined in Section
16 2-8 of this Act Beginning on August 6, 2010 through August 15,
17 ~~2010~~, with respect to sales tax holiday items as defined in
18 Section 2-8 of this Act, the tax is imposed at the rate of
19 1.25%.

20 Within 14 days after the effective date of this amendatory
21 Act of the 91st General Assembly, each retailer of motor fuel
22 and gasohol shall cause the following notice to be posted in a
23 prominently visible place on each retail dispensing device that
24 is used to dispense motor fuel or gasohol in the State of
25 Illinois: "As of July 1, 2000, the State of Illinois has

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

10 With respect to gasohol, as defined in the Use Tax Act, the
11 tax imposed by this Act applies to (i) 70% of the proceeds of
12 sales made on or after January 1, 1990, and before July 1,
13 2003, (ii) 80% of the proceeds of sales made on or after July
14 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
15 proceeds of sales made thereafter. If, at any time, however,
16 the tax under this Act on sales of gasohol, as defined in the
17 Use Tax Act, is imposed at the rate of 1.25%, then the tax
18 imposed by this Act applies to 100% of the proceeds of sales of
19 gasohol made during that time.

20 With respect to majority blended ethanol fuel, as defined
21 in the Use Tax Act, the tax imposed by this Act does not apply
22 to the proceeds of sales made on or after July 1, 2003 and on or
23 before December 31, 2023 but applies to 100% of the proceeds of
24 sales made thereafter.

25 With respect to biodiesel blends, as defined in the Use Tax
26 Act, with no less than 1% and no more than 10% biodiesel, the

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

10 With respect to 100% biodiesel, as defined in the Use Tax
11 Act, and biodiesel blends, as defined in the Use Tax Act, with
12 more than 10% but no more than 99% biodiesel, the tax imposed
13 by this Act does not apply to the proceeds of sales made on or
14 after July 1, 2003 and on or before December 31, 2023 but
15 applies to 100% of the proceeds of sales made thereafter.

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

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

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

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

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

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

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

1 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
2 label includes:

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

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

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

12 As used in this Section, "adult use cannabis" means
13 cannabis subject to tax under the Cannabis Cultivation
14 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and
15 does not include cannabis subject to tax under the
16 Compassionate Use of Medical Cannabis Program Act.

17 (Source: P.A. 100-22, eff. 7-6-17; 101-363, eff. 8-9-19;
18 101-593, eff. 12-4-19.)

19 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

25 1. The name of the seller;

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

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

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

16 5. Deductions allowed by law;

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

20 7. The amount of credit provided in Section 2d of this
21 Act;

22 8. The amount of tax due;

23 9. The signature of the taxpayer; and

24 10. Such other reasonable information as the
25 Department may require.

26 On and after January 1, 2018, except for returns for motor

1 vehicles, watercraft, aircraft, and trailers that are required
2 to be registered with an agency of this State, with respect to
3 retailers whose annual gross receipts average \$20,000 or more,
4 all returns required to be filed pursuant to this Act shall be
5 filed electronically. Retailers who demonstrate that they do
6 not have access to the Internet or demonstrate hardship in
7 filing electronically may petition the Department to waive the
8 electronic filing requirement.

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

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

16 Prior to October 1, 2003, and on and after September 1,
17 2004 a retailer may accept a Manufacturer's Purchase Credit
18 certification from a purchaser in satisfaction of Use Tax as
19 provided in Section 3-85 of the Use Tax Act if the purchaser
20 provides the appropriate documentation as required by Section
21 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
22 certification, accepted by a retailer prior to October 1, 2003
23 and on and after September 1, 2004 as provided in Section 3-85
24 of the Use Tax Act, may be used by that retailer to satisfy
25 Retailers' Occupation Tax liability in the amount claimed in
26 the certification, not to exceed 6.25% of the receipts subject

1 to tax from a qualifying purchase. A Manufacturer's Purchase
2 Credit reported on any original or amended return filed under
3 this Act after October 20, 2003 for reporting periods prior to
4 September 1, 2004 shall be disallowed. Manufacturer's
5 Purchaser Credit reported on annual returns due on or after
6 January 1, 2005 will be disallowed for periods prior to
7 September 1, 2004. No Manufacturer's Purchase Credit may be
8 used after September 30, 2003 through August 31, 2004 to
9 satisfy any tax liability imposed under this Act, including any
10 audit liability.

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

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

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

3 5. The amount of tax due; and

4 6. Such other reasonable information as the Department
5 may require.

6 Every person engaged in the business of selling aviation
7 fuel at retail in this State during the preceding calendar
8 month shall, instead of reporting and paying tax as otherwise
9 required by this Section, report and pay such tax on a separate
10 aviation fuel tax return. The requirements related to the
11 return shall be as otherwise provided in this Section.
12 Notwithstanding any other provisions of this Act to the
13 contrary, retailers selling aviation fuel shall file all
14 aviation fuel tax returns and shall make all aviation fuel tax
15 payments by electronic means in the manner and form required by
16 the Department. For purposes of this Section, "aviation fuel"
17 means jet fuel and aviation gasoline.

18 Beginning on October 1, 2003, any person who is not a
19 licensed distributor, importing distributor, or manufacturer,
20 as defined in the Liquor Control Act of 1934, but is engaged in
21 the business of selling, at retail, alcoholic liquor shall file
22 a statement with the Department of Revenue, in a format and at
23 a time prescribed by the Department, showing the total amount
24 paid for alcoholic liquor purchased during the preceding month
25 and such other information as is reasonably required by the
26 Department. The Department may adopt rules to require that this

1 statement be filed in an electronic or telephonic format. Such
2 rules may provide for exceptions from the filing requirements
3 of this paragraph. For the purposes of this paragraph, the term
4 "alcoholic liquor" shall have the meaning prescribed in the
5 Liquor Control Act of 1934.

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

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

8 If a total amount of less than \$1 is payable, refundable or
9 creditable, such amount shall be disregarded if it is less than
10 50 cents and shall be increased to \$1 if it is 50 cents or more.

11 Notwithstanding any other provision of this Act to the
12 contrary, retailers subject to tax on cannabis shall file all
13 cannabis tax returns and shall make all cannabis tax payments
14 by electronic means in the manner and form required by the
15 Department.

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

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

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

1 of the following year.

2 Such quarter annual and annual returns, as to form and
3 substance, shall be subject to the same requirements as monthly
4 returns.

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

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

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

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

14 In addition, with respect to motor vehicles, watercraft,
15 aircraft, and trailers that are required to be registered with
16 an agency of this State, every person who is engaged in the
17 business of leasing or renting such items and who, in
18 connection with such business, sells any such item to a
19 retailer for the purpose of resale is, notwithstanding any
20 other provision of this Section to the contrary, authorized to
21 meet the return-filing requirement of this Act by reporting the
22 transfer of all the aircraft, watercraft, motor vehicles, or
23 trailers transferred for resale during a month to the
24 Department on the same uniform invoice-transaction reporting
25 return form on or before the 20th of the month following the
26 month in which the transfer takes place. Notwithstanding any

1 other provision of this Act to the contrary, all returns filed
2 under this paragraph must be filed by electronic means in the
3 manner and form as required by the Department.

4 Any retailer who sells only motor vehicles, watercraft,
5 aircraft, or trailers that are required to be registered with
6 an agency of this State, so that all retailers' occupation tax
7 liability is required to be reported, and is reported, on such
8 transaction reporting returns and who is not otherwise required
9 to file monthly or quarterly returns, need not file monthly or
10 quarterly returns. However, those retailers shall be required
11 to file returns on an annual basis.

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

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

22 No retailer's failure or refusal to remit tax under this
23 Act precludes a user, who has paid the proper tax to the
24 retailer, from obtaining his certificate of title or other
25 evidence of title or registration (if titling or registration
26 is required) upon satisfying the Department that such user 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 the 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 Refunds made by the seller during the preceding return
23 period to purchasers, on account of tangible personal property
24 returned to the seller, shall be allowed as a deduction under
25 subdivision 5 of his monthly or quarterly return, as the case
26 may be, in case the seller had theretofore included the

1 receipts from the sale of such tangible personal property in a
2 return filed by him and had paid the tax imposed by this Act
3 with respect to such receipts.

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

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

12 Except as provided in this Section, the retailer filing the
13 return under this Section shall, at the time of filing such
14 return, pay to the Department the amount of tax imposed by this
15 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
16 on and after January 1, 1990, or \$5 per calendar year,
17 whichever is greater, which is allowed to reimburse the
18 retailer for the expenses incurred in keeping records,
19 preparing and filing returns, remitting the tax and supplying
20 data to the Department on request. The discount under this
21 Section is not allowed for the 1.25% portion of taxes paid on
22 aviation fuel that is subject to the revenue use requirements
23 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. Any prepayment made
24 pursuant to Section 2d of this Act shall be included in the
25 amount on which such 2.1% or 1.75% discount is computed. In the
26 case of retailers who report and pay the tax on a transaction

1 by transaction basis, as provided in this Section, such
2 discount shall be taken with each such tax remittance instead
3 of when such retailer files his periodic return. The discount
4 allowed under this Section is allowed only for returns that are
5 filed in the manner required by this Act. The Department may
6 disallow the discount for retailers whose certificate of
7 registration is revoked at the time the return is filed, but
8 only if the Department's decision to revoke the certificate of
9 registration has become final.

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

1 with the Department each month by the 20th day of the month
2 next following the month during which such tax liability is
3 incurred and shall make payment to the Department on or before
4 the 7th, 15th, 22nd and last day of the month during which such
5 liability is incurred. If the month during which such tax
6 liability is incurred began prior to January 1, 1985, each
7 payment shall be in an amount equal to 1/4 of the taxpayer's
8 actual liability for the month or an amount set by the
9 Department not to exceed 1/4 of the average monthly liability
10 of the taxpayer to the Department for the preceding 4 complete
11 calendar quarters (excluding the month of highest liability and
12 the month of lowest liability in such 4 quarter period). If the
13 month during which such tax liability is incurred begins on or
14 after January 1, 1985 and prior to January 1, 1987, each
15 payment shall be in an amount equal to 22.5% of the taxpayer's
16 actual liability for the month or 27.5% of the taxpayer's
17 liability for the same calendar month of the preceding year. If
18 the month during which such tax liability is incurred begins on
19 or after January 1, 1987 and prior to January 1, 1988, each
20 payment shall be in an amount equal to 22.5% of the taxpayer's
21 actual liability for the month or 26.25% of the taxpayer's
22 liability for the same calendar month of the preceding year. If
23 the month during which such tax liability is incurred begins on
24 or after January 1, 1988, and prior to January 1, 1989, or
25 begins on or after January 1, 1996, each payment shall be in an
26 amount equal to 22.5% of the taxpayer's actual liability for

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

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

1 payments for that month to the Department in excess of the
2 minimum payments previously due as provided in this Section.
3 The Department shall make reasonable rules and regulations to
4 govern the quarter monthly payment amount and quarter monthly
5 payment dates for taxpayers who file on other than a calendar
6 monthly basis.

7 The provisions of this paragraph apply before October 1,
8 2001. Without regard to whether a taxpayer is required to make
9 quarter monthly payments as specified above, any taxpayer who
10 is required by Section 2d of this Act to collect and remit
11 prepaid taxes and has collected prepaid taxes which average in
12 excess of \$25,000 per month during the preceding 2 complete
13 calendar quarters, shall file a return with the Department as
14 required by Section 2f and shall make payments to the
15 Department on or before the 7th, 15th, 22nd and last day of the
16 month during which such liability is incurred. If the month
17 during which such tax liability is incurred began prior to
18 September 1, 1985 (the effective date of Public Act 84-221),
19 each payment shall be in an amount not less than 22.5% of the
20 taxpayer's actual liability under Section 2d. If the month
21 during which such tax liability is incurred begins on or after
22 January 1, 1986, each payment shall be in an amount equal to
23 22.5% of the taxpayer's actual liability for the month or 27.5%
24 of the taxpayer's liability for the same calendar month of the
25 preceding calendar year. If the month during which such tax
26 liability is incurred begins on or after January 1, 1987, each

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

17 The provisions of this paragraph apply on and after October
18 1, 2001. Without regard to whether a taxpayer is required to
19 make quarter monthly payments as specified above, any taxpayer
20 who is required by Section 2d of this Act to collect and remit
21 prepaid taxes and has collected prepaid taxes that average in
22 excess of \$20,000 per month during the preceding 4 complete
23 calendar quarters shall file a return with the Department as
24 required by Section 2f and shall make payments to the
25 Department on or before the 7th, 15th, 22nd and last day of the
26 month during which the liability is incurred. Each payment

1 shall be in an amount equal to 22.5% of the taxpayer's actual
2 liability for the month or 25% of the taxpayer's liability for
3 the same calendar month of the preceding year. The amount of
4 the quarter monthly payments shall be credited against the
5 final tax liability of the taxpayer's return for that month
6 filed under this Section or Section 2f, as the case may be.
7 Once applicable, the requirement of the making of quarter
8 monthly payments to the Department pursuant to this paragraph
9 shall continue until the taxpayer's average monthly prepaid tax
10 collections 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 quarters is less than \$20,000. If any such quarter monthly
16 payment is not paid at the time or in the amount required, the
17 taxpayer shall be liable for penalties and interest on such
18 difference, except insofar as the taxpayer has previously made
19 payments for that month in excess of the minimum payments
20 previously due.

21 If any payment provided for in this Section exceeds the
22 taxpayer's liabilities under this Act, the Use Tax Act, the
23 Service Occupation Tax Act and the Service Use Tax Act, as
24 shown on an original monthly return, the Department shall, if
25 requested by the taxpayer, issue to the taxpayer a credit
26 memorandum no later than 30 days after the date of payment. The

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

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

22 Beginning January 1, 1990, each month the Department shall
23 pay into the Local Government Tax Fund, a special fund in the
24 State treasury which is hereby created, the net revenue
25 realized for the preceding month from the 1% tax imposed under
26 this Act.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the County and Mass Transit District Fund, a special
3 fund in the State treasury which is hereby created, 4% of the
4 net revenue realized for the preceding month from the 6.25%
5 general rate other than aviation fuel sold on or after December
6 1, 2019. This exception for aviation fuel only applies for so
7 long as the revenue use requirements of 49 U.S.C. 47107(b) and
8 49 U.S.C. 47133 are binding on the State.

9 Beginning August 1, 2000, each month the Department shall
10 pay into the County and Mass Transit District Fund 20% of the
11 net revenue realized for the preceding month from the 1.25%
12 rate on the selling price of motor fuel and gasohol. Beginning
13 September 1, 2010, and beginning again on September 1, 2020,
14 each month the Department shall pay into the County and Mass
15 Transit District Fund 20% of the net revenue realized for the
16 preceding month from the 1.25% rate on the selling price of
17 sales tax holiday items.

18 Beginning January 1, 1990, each month the Department shall
19 pay into the Local Government Tax Fund 16% of the net revenue
20 realized for the preceding month from the 6.25% general rate on
21 the selling price of tangible personal property other than
22 aviation fuel sold on or after December 1, 2019. This exception
23 for aviation fuel only applies for so long as the revenue use
24 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
25 binding on the State.

26 For aviation fuel sold on or after December 1, 2019, each

1 month the Department shall pay into the State Aviation Program
2 Fund 20% of the net revenue realized for the preceding month
3 from the 6.25% general rate on the selling price of aviation
4 fuel, less an amount estimated by the Department to be required
5 for refunds of the 20% portion of the tax on aviation fuel
6 under this Act, which amount shall be deposited into the
7 Aviation Fuel Sales Tax Refund Fund. The Department shall only
8 pay moneys into the State Aviation Program Fund and the
9 Aviation Fuel Sales Tax Refund Fund under this Act for so long
10 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
11 U.S.C. 47133 are binding on the State.

12 Beginning August 1, 2000, each month the Department shall
13 pay into the Local Government Tax Fund 80% of the net revenue
14 realized for the preceding month from the 1.25% rate on the
15 selling price of motor fuel and gasohol. Beginning September 1,
16 2010, and beginning again on September 1, 2020, each month the
17 Department shall pay into the Local Government Tax Fund 80% of
18 the net revenue realized for the preceding month from the 1.25%
19 rate on the selling price of sales tax holiday items.

20 Beginning October 1, 2009, each month the Department shall
21 pay into the Capital Projects Fund an amount that is equal to
22 an amount estimated by the Department to represent 80% of the
23 net revenue realized for the preceding month from the sale of
24 candy, grooming and hygiene products, and soft drinks that had
25 been taxed at a rate of 1% prior to September 1, 2009 but that
26 are now taxed at 6.25%.

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

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

24 Beginning July 1, 2015, of the remainder of the moneys
25 received by the Department under the Use Tax Act, the Service
26 Use Tax Act, the Service Occupation Tax Act, and this Act, each

1 month the Department shall deposit \$500,000 into the State
2 Crime Laboratory Fund.

3 Of the remainder of the moneys received by the Department
4 pursuant to this Act, (a) 1.75% thereof shall be paid into the
5 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
6 and after July 1, 1989, 3.8% thereof shall be paid into the
7 Build Illinois Fund; provided, however, that if in any fiscal
8 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
9 may be, of the moneys received by the Department and required
10 to be paid into the Build Illinois Fund pursuant to this Act,
11 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
12 Act, and Section 9 of the Service Occupation Tax Act, such Acts
13 being hereinafter called the "Tax Acts" and such aggregate of
14 2.2% or 3.8%, as the case may be, of moneys being hereinafter
15 called the "Tax Act Amount", and (2) the amount transferred to
16 the Build Illinois Fund from the State and Local Sales Tax
17 Reform Fund shall be less than the Annual Specified Amount (as
18 hereinafter defined), an amount equal to the difference shall
19 be immediately paid into the Build Illinois Fund from other
20 moneys received by the Department pursuant to the Tax Acts; the
21 "Annual Specified Amount" means the amounts specified below for
22 fiscal years 1986 through 1993:

23	Fiscal Year	Annual Specified Amount
24	1986	\$54,800,000
25	1987	\$76,650,000
26	1988	\$80,480,000

1	1989	\$88,510,000
2	1990	\$115,330,000
3	1991	\$145,470,000
4	1992	\$182,730,000
5	1993	\$206,520,000;

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

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

1 and charge set forth in Section 12 of the Build Illinois Bond
2 Act.

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

15		Total
	Fiscal Year	Deposit
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023	275,000,000
22	2024	275,000,000
23	2025	275,000,000
24	2026	279,000,000
25	2027	292,000,000
26	2028	307,000,000

1	2029	322,000,000
2	2030	338,000,000
3	2031	350,000,000
4	2032	350,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

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

26 Subject to payment of amounts into the Capital Projects

1 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
2 and the McCormick Place Expansion Project Fund pursuant to the
3 preceding paragraphs or in any amendments thereto hereafter
4 enacted, for aviation fuel sold on or after December 1, 2019,
5 the Department shall each month deposit into the Aviation Fuel
6 Sales Tax Refund Fund an amount estimated by the Department to
7 be required for refunds of the 80% portion of the tax on
8 aviation fuel under this Act. The Department shall only deposit
9 moneys into the Aviation Fuel Sales Tax Refund Fund under this
10 paragraph for so long as the revenue use requirements of 49
11 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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

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 with the receipt of the first report of
24 taxes paid by an eligible business and continuing for a 25-year
25 period, the Department shall each month pay into the Energy
26 Infrastructure Fund 80% of the net revenue realized from the

1 6.25% general rate on the selling price of Illinois-mined coal
2 that was sold to an eligible business. For purposes of this
3 paragraph, the term "eligible business" means a new electric
4 generating facility certified pursuant to Section 605-332 of
5 the Department of Commerce and Economic Opportunity Law of the
6 Civil Administrative Code of Illinois.

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

26 Subject to payments of amounts into the Build Illinois

1 Fund, the McCormick Place Expansion Project Fund, the Illinois
2 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
3 Compliance and Administration Fund as provided in this Section,
4 beginning on July 1, 2018 the Department shall pay each month
5 into the Downstate Public Transportation Fund the moneys
6 required to be so paid under Section 2-3 of the Downstate
7 Public Transportation Act.

8 Subject to successful execution and delivery of a
9 public-private agreement between the public agency and private
10 entity and completion of the civic build, beginning on July 1,
11 2023, of the remainder of the moneys received by the Department
12 under the Use Tax Act, the Service Use Tax Act, the Service
13 Occupation Tax Act, and this Act, the Department shall deposit
14 the following specified deposits in the aggregate from
15 collections under the Use Tax Act, the Service Use Tax Act, the
16 Service Occupation Tax Act, and the Retailers' Occupation Tax
17 Act, as required under Section 8.25g of the State Finance Act
18 for distribution consistent with the Public-Private
19 Partnership for Civic and Transit Infrastructure Project Act.
20 The moneys received by the Department pursuant to this Act and
21 required to be deposited into the Civic and Transit
22 Infrastructure Fund are subject to the pledge, claim and charge
23 set forth in Section 25-55 of the Public-Private Partnership
24 for Civic and Transit Infrastructure Project Act. As used in
25 this paragraph, "civic build", "private entity",
26 "public-private agreement", and "public agency" have the

1 meanings provided in Section 25-10 of the Public-Private
2 Partnership for Civic and Transit Infrastructure Project Act.

3	Fiscal Year.....	Total Deposit
4	2024	\$200,000,000
5	2025	\$206,000,000
6	2026	\$212,200,000
7	2027	\$218,500,000
8	2028	\$225,100,000
9	2029	\$288,700,000
10	2030	\$298,900,000
11	2031	\$309,300,000
12	2032	\$320,100,000
13	2033	\$331,200,000
14	2034	\$341,200,000
15	2035	\$351,400,000
16	2036	\$361,900,000
17	2037	\$372,800,000
18	2038	\$384,000,000
19	2039	\$395,500,000
20	2040	\$407,400,000
21	2041	\$419,600,000
22	2042	\$432,200,000
23	2043	\$445,100,000

24 Beginning July 1, 2021 and until July 1, 2022, subject to
25 the payment of amounts into the County and Mass Transit
26 District Fund, the Local Government Tax Fund, the Build

1 Illinois Fund, the McCormick Place Expansion Project Fund, the
2 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
3 and the Tax Compliance and Administration Fund as provided in
4 this Section, the Department shall pay each month into the Road
5 Fund the amount estimated to represent 16% of the net revenue
6 realized from the taxes imposed on motor fuel and gasohol.
7 Beginning July 1, 2022 and until July 1, 2023, subject to the
8 payment of amounts into the County and Mass Transit District
9 Fund, the Local Government Tax Fund, the Build Illinois Fund,
10 the McCormick Place Expansion Project Fund, the Illinois Tax
11 Increment Fund, the Energy Infrastructure Fund, and the Tax
12 Compliance and Administration Fund as provided in this Section,
13 the Department shall pay each month into the Road Fund the
14 amount estimated to represent 32% of the net revenue realized
15 from the taxes imposed on motor fuel and gasohol. Beginning
16 July 1, 2023 and until July 1, 2024, subject to the payment of
17 amounts into the County and Mass Transit District Fund, the
18 Local Government Tax Fund, the Build Illinois Fund, the
19 McCormick Place Expansion Project Fund, the Illinois Tax
20 Increment Fund, the Energy Infrastructure Fund, and the Tax
21 Compliance and Administration Fund as provided in this Section,
22 the Department shall pay each month into the Road Fund the
23 amount estimated to represent 48% of the net revenue realized
24 from the taxes imposed on motor fuel and gasohol. Beginning
25 July 1, 2024 and until July 1, 2025, subject to the payment of
26 amounts into the County and Mass Transit District Fund, the

1 Local Government Tax Fund, the Build Illinois Fund, the
2 McCormick Place Expansion Project Fund, the Illinois Tax
3 Increment Fund, the Energy Infrastructure Fund, and the Tax
4 Compliance and Administration Fund as provided in this Section,
5 the Department shall pay each month into the Road Fund the
6 amount estimated to represent 64% of the net revenue realized
7 from the taxes imposed on motor fuel and gasohol. Beginning on
8 July 1, 2025, subject to the payment of amounts into the County
9 and Mass Transit District Fund, the Local Government Tax Fund,
10 the Build Illinois Fund, the McCormick Place Expansion Project
11 Fund, the Illinois Tax Increment Fund, the Energy
12 Infrastructure Fund, and the Tax Compliance and Administration
13 Fund as provided in this Section, the Department shall pay each
14 month into the Road Fund the amount estimated to represent 80%
15 of the net revenue realized from the taxes imposed on motor
16 fuel and gasohol. As used in this paragraph "motor fuel" has
17 the meaning given to that term in Section 1.1 of the Motor Fuel
18 Tax Act, and "gasohol" has the meaning given to that term in
19 Section 3-40 of the Use Tax Act.

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

26 The Department may, upon separate written notice to a

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

23 If the annual information return required by this Section
24 is not filed when and as required, the taxpayer shall be liable
25 as follows:

26 (i) Until January 1, 1994, the taxpayer shall be liable

1 for a penalty equal to $1/6$ of 1% of the tax due from such
2 taxpayer under this Act during the period to be covered by
3 the annual return for each month or fraction of a month
4 until such return is filed as required, the penalty to be
5 assessed and collected in the same manner as any other
6 penalty provided for in this Act.

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

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

18 The provisions of this Section concerning the filing of an
19 annual information return do not apply to a retailer who is not
20 required to file an income tax return with the United States
21 Government.

22 As soon as possible after the first day of each month, upon
23 certification of the Department of Revenue, the Comptroller
24 shall order transferred and the Treasurer shall transfer from
25 the General Revenue Fund to the Motor Fuel Tax Fund an amount
26 equal to 1.7% of 80% of the net revenue realized under this Act

1 for the second preceding month. Beginning April 1, 2000, this
2 transfer is no longer required and shall not be made.

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

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

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

1 the month during which the event with retail sales was held.
2 Any person who fails to file a report required by this Section
3 commits a business offense and is subject to a fine not to
4 exceed \$250.

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

25 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
26 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article

1 15, Section 15-25, eff. 6-5-19; 101-10, Article 25, Section
2 25-120, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
3 6-28-19; 101-604, eff. 12-13-19.)

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