



Sen. Frank C. Watson

Filed: 3/23/2007

09500SB0800sam001

LRB095 05482 BDD 34528 a

1 AMENDMENT TO SENATE BILL 800

2 AMENDMENT NO. _____. Amend Senate Bill 800 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 as follows:

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

7 Sec. 6z-18. A portion of the money paid into the Local
8 Government Tax Fund from sales of food for human consumption
9 which is to be consumed off the premises where it is sold
10 (other than alcoholic beverages, soft drinks and food which has
11 been prepared for immediate consumption) and prescription and
12 nonprescription medicines, drugs, medical appliances and
13 insulin, urine testing materials, syringes and needles used by
14 diabetics, which occurred in municipalities, shall be
15 distributed to each municipality based upon the sales which
16 occurred in that municipality. The remainder shall be

1 distributed to each county based upon the sales which occurred
2 in the unincorporated area of that county.

3 A portion of the money paid into the Local Government Tax
4 Fund from the 6.25% general use tax rate on the selling price
5 of tangible personal property which is purchased outside
6 Illinois at retail from a retailer and which is titled or
7 registered by any agency of this State's government shall be
8 distributed to municipalities as provided in this paragraph.
9 Each municipality shall receive the amount attributable to
10 sales for which Illinois addresses for titling or registration
11 purposes are given as being in such municipality. The remainder
12 of the money paid into the Local Government Tax Fund from such
13 sales shall be distributed to counties. Each county shall
14 receive the amount attributable to sales for which Illinois
15 addresses for titling or registration purposes are given as
16 being located in the unincorporated area of such county.

17 A portion of the money paid into the Local Government Tax
18 Fund from the 6.25% general rate (and, beginning July 1, 2000
19 and through December 31, 2000, the 1.25% rate on motor fuel and
20 gasohol and, from June 21, 2007 through September 21, 2007 and
21 from November 21, 2007 through March 21, 2008, the 1.25% rate
22 on propane and home heating oil) on sales subject to taxation
23 under the Retailers' Occupation Tax Act and the Service
24 Occupation Tax Act, which occurred in municipalities, shall be
25 distributed to each municipality, based upon the sales which
26 occurred in that municipality. The remainder shall be

1 distributed to each county, based upon the sales which occurred
2 in the unincorporated area of such county.

3 For the purpose of determining allocation to the local
4 government unit, a retail sale by a producer of coal or other
5 mineral mined in Illinois is a sale at retail at the place
6 where the coal or other mineral mined in Illinois is extracted
7 from the earth. This paragraph does not apply to coal or other
8 mineral when it is delivered or shipped by the seller to the
9 purchaser at a point outside Illinois so that the sale is
10 exempt under the United States Constitution as a sale in
11 interstate or foreign commerce.

12 Whenever the Department determines that a refund of money
13 paid into the Local Government Tax Fund should be made to a
14 claimant instead of issuing a credit memorandum, the Department
15 shall notify the State Comptroller, who shall cause the order
16 to be drawn for the amount specified, and to the person named,
17 in such notification from the Department. Such refund shall be
18 paid by the State Treasurer out of the Local Government Tax
19 Fund.

20 On or before the 25th day of each calendar month, the
21 Department shall prepare and certify to the Comptroller the
22 disbursement of stated sums of money to named municipalities
23 and counties, the municipalities and counties to be those
24 entitled to distribution of taxes or penalties paid to the
25 Department during the second preceding calendar month. The
26 amount to be paid to each municipality or county shall be the

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

17 When certifying the amount of monthly disbursement to a
18 municipality or county under this Section, the Department shall
19 increase or decrease that amount by an amount necessary to
20 offset any misallocation of previous disbursements. The offset
21 amount shall be the amount erroneously disbursed within the 6
22 months preceding the time a misallocation is discovered.

23 The provisions directing the distributions from the
24 special fund in the State Treasury provided for in this Section
25 shall constitute an irrevocable and continuing appropriation
26 of all amounts as provided herein. The State Treasurer and

1 State Comptroller are hereby authorized to make distributions
2 as provided in this Section.

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

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

13 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

14 Sec. 6z-20. Of the money received from the 6.25% general
15 rate (and, beginning July 1, 2000 and through December 31,
16 2000, the 1.25% rate on motor fuel and gasohol and, from June
17 21, 2007 through September 21, 2007 and from November 21, 2007
18 through March 21, 2008, the 1.25% rate on propane and home
19 heating oil) on sales subject to taxation under the Retailers'
20 Occupation Tax Act and Service Occupation Tax Act and paid into
21 the County and Mass Transit District Fund, distribution to the
22 Regional Transportation Authority tax fund, created pursuant
23 to Section 4.03 of the Regional Transportation Authority Act,
24 for deposit therein shall be made based upon the retail sales
25 occurring in a county having more than 3,000,000 inhabitants.

1 The remainder shall be distributed to each county having
2 3,000,000 or fewer inhabitants based upon the retail sales
3 occurring in each such county.

4 For the purpose of determining allocation to the local
5 government unit, a retail sale by a producer of coal or other
6 mineral mined in Illinois is a sale at retail at the place
7 where the coal or other mineral mined in Illinois is extracted
8 from the earth. This paragraph does not apply to coal or other
9 mineral when it is delivered or shipped by the seller to the
10 purchaser at a point outside Illinois so that the sale is
11 exempt under the United States Constitution as a sale in
12 interstate or foreign commerce.

13 Of the money received from the 6.25% general use tax rate
14 on tangible personal property which is purchased outside
15 Illinois at retail from a retailer and which is titled or
16 registered by any agency of this State's government and paid
17 into the County and Mass Transit District Fund, the amount for
18 which Illinois addresses for titling or registration purposes
19 are given as being in each county having more than 3,000,000
20 inhabitants shall be distributed into the Regional
21 Transportation Authority tax fund, created pursuant to Section
22 4.03 of the Regional Transportation Authority Act. The
23 remainder of the money paid from such sales shall be
24 distributed to each county based on sales for which Illinois
25 addresses for titling or registration purposes are given as
26 being located in the county. Any money paid into the Regional

1 Transportation Authority Occupation and Use Tax Replacement
2 Fund from the County and Mass Transit District Fund prior to
3 January 14, 1991, which has not been paid to the Authority
4 prior to that date, shall be transferred to the Regional
5 Transportation Authority tax fund.

6 Whenever the Department determines that a refund of money
7 paid into the County and Mass Transit District Fund should be
8 made to a claimant instead of issuing a credit memorandum, the
9 Department shall notify the State Comptroller, who shall cause
10 the order to be drawn for the amount specified, and to the
11 person named, in such notification from the Department. Such
12 refund shall be paid by the State Treasurer out of the County
13 and Mass Transit District Fund.

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

1 to a different taxing body, and not including an amount equal
2 to the amount of refunds made during the second preceding
3 calendar month by the Department, and not including any amount
4 which the Department determines is necessary to offset any
5 amounts which were payable to a different taxing body but were
6 erroneously paid to the Regional Transportation Authority or
7 county. Within 10 days after receipt, by the Comptroller, of
8 the disbursement certification to the Regional Transportation
9 Authority and counties, provided for in this Section to be
10 given to the Comptroller by the Department, the Comptroller
11 shall cause the orders to be drawn for the respective amounts
12 in accordance with the directions contained in such
13 certification.

14 When certifying the amount of a monthly disbursement to the
15 Regional Transportation Authority or to a county under this
16 Section, the Department shall increase or decrease that amount
17 by an amount necessary to offset any misallocation of previous
18 disbursements. The offset amount shall be the amount
19 erroneously disbursed within the 6 months preceding the time a
20 misallocation is discovered.

21 The provisions directing the distributions from the
22 special fund in the State Treasury provided for in this Section
23 and from the Regional Transportation Authority tax fund created
24 by Section 4.03 of the Regional Transportation Authority Act
25 shall constitute an irrevocable and continuing appropriation
26 of all amounts as provided herein. The State Treasurer and

1 State Comptroller are hereby authorized to make distributions
2 as provided in this Section.

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

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

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

15 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

16 Sec. 3-10. Rate of tax. Unless otherwise provided in this
17 Section, the tax imposed by this Act is at the rate of 6.25% of
18 either the selling price or the fair market value, if any, of
19 the tangible personal property. In all cases where property
20 functionally used or consumed is the same as the property that
21 was purchased at retail, then the tax is imposed on the selling
22 price of the property. In all cases where property functionally
23 used or consumed is a by-product or waste product that has been
24 refined, manufactured, or produced from property purchased at

1 retail, then the tax is imposed on the lower of the fair market
2 value, if any, of the specific property so used in this State
3 or on the selling price of the property purchased at retail.
4 For purposes of this Section "fair market value" means the
5 price at which property would change hands between a willing
6 buyer and a willing seller, neither being under any compulsion
7 to buy or sell and both having reasonable knowledge of the
8 relevant facts. The fair market value shall be established by
9 Illinois sales by the taxpayer of the same property as that
10 functionally used or consumed, or if there are no such sales by
11 the taxpayer, then comparable sales or purchases of property of
12 like kind and character in Illinois.

13 From June 21, 2007 through September 21, 2007 and from
14 November 21, 2007 through March 21, 2008, with respect to
15 propane and home heating oil sold to residential consumers, as
16 defined in Section 2 of the Gas Revenue Tax Act, the tax is
17 imposed at the rate of 1.25%.

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

22 With respect to gasohol, the tax imposed by this Act
23 applies to (i) 70% of the proceeds of sales made on or after
24 January 1, 1990, and before July 1, 2003, (ii) 80% of the
25 proceeds of sales made on or after July 1, 2003 and on or
26 before December 31, 2013, and (iii) 100% of the proceeds of

1 sales made thereafter. If, at any time, however, the tax under
2 this Act on sales of gasohol is imposed at the rate of 1.25%,
3 then the tax imposed by this Act applies to 100% of the
4 proceeds of sales of gasohol made during that time.

5 With respect to majority blended ethanol fuel, the tax
6 imposed by this Act does not apply to the proceeds of sales
7 made on or after July 1, 2003 and on or before December 31,
8 2013 but applies to 100% of the proceeds of sales made
9 thereafter.

10 With respect to biodiesel blends with no less than 1% and
11 no more than 10% biodiesel, the tax imposed by this Act applies
12 to (i) 80% of the proceeds of sales made on or after July 1,
13 2003 and on or before December 31, 2013 and (ii) 100% of the
14 proceeds of sales made thereafter. If, at any time, however,
15 the tax under this Act on sales of biodiesel blends with no
16 less than 1% and no more than 10% biodiesel is imposed at the
17 rate of 1.25%, then the tax imposed by this Act applies to 100%
18 of the proceeds of sales of biodiesel blends with no less than
19 1% and no more than 10% biodiesel made during that time.

20 With respect to 100% biodiesel and biodiesel blends with
21 more than 10% but no more than 99% biodiesel, the tax imposed
22 by this Act does not apply to the proceeds of sales made on or
23 after July 1, 2003 and on or before December 31, 2013 but
24 applies to 100% of the proceeds of sales made thereafter.

25 With respect to food for human consumption that is to be
26 consumed off the premises where it is sold (other than

1 alcoholic beverages, soft drinks, and food that has been
2 prepared for immediate consumption) and prescription and
3 nonprescription medicines, drugs, medical appliances,
4 modifications to a motor vehicle for the purpose of rendering
5 it usable by a disabled person, and insulin, urine testing
6 materials, syringes, and needles used by diabetics, for human
7 use, the tax is imposed at the rate of 1%. For the purposes of
8 this Section, the term "soft drinks" means any complete,
9 finished, ready-to-use, non-alcoholic drink, whether
10 carbonated or not, including but not limited to soda water,
11 cola, fruit juice, vegetable juice, carbonated water, and all
12 other preparations commonly known as soft drinks of whatever
13 kind or description that are contained in any closed or sealed
14 bottle, can, carton, or container, regardless of size. "Soft
15 drinks" does not include coffee, tea, non-carbonated water,
16 infant formula, milk or milk products as defined in the Grade A
17 Pasteurized Milk and Milk Products Act, or drinks containing
18 50% or more natural fruit or vegetable juice.

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

25 If the property that is purchased at retail from a retailer
26 is acquired outside Illinois and used outside Illinois before

1 being brought to Illinois for use here and is taxable under
2 this Act, the "selling price" on which the tax is computed
3 shall be reduced by an amount that represents a reasonable
4 allowance for depreciation for the period of prior out-of-state
5 use.

6 (Source: P.A. 93-17, eff. 6-11-03.)

7 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

8 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
9 and trailers that are required to be registered with an agency
10 of this State, each retailer required or authorized to collect
11 the tax imposed by this Act shall pay to the Department the
12 amount of such tax (except as otherwise provided) at the time
13 when he is required to file his return for the period during
14 which such tax was collected, less a discount of 2.1% prior to
15 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
16 per calendar year, whichever is greater, which is allowed to
17 reimburse the retailer for expenses incurred in collecting the
18 tax, keeping records, preparing and filing returns, remitting
19 the tax and supplying data to the Department on request. In the
20 case of retailers who report and pay the tax on a transaction
21 by transaction basis, as provided in this Section, such
22 discount shall be taken with each such tax remittance instead
23 of when such retailer files his periodic return. A retailer
24 need not remit that part of any tax collected by him to the
25 extent that he is required to remit and does remit the tax

1 imposed by the Retailers' Occupation Tax Act, with respect to
2 the sale of the same property.

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

13 Except as provided in this Section, on or before the
14 twentieth day of each calendar month, such retailer shall file
15 a return for the preceding calendar month. Such return shall be
16 filed on forms prescribed by the Department and shall furnish
17 such information as the Department may reasonably require.

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

- 25 1. The name of the seller;
- 26 2. The address of the principal place of business from

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

3 3. The total amount of taxable receipts received by him
4 during the preceding calendar month from sales of tangible
5 personal property by him during such preceding calendar
6 month, including receipts from charge and time sales, but
7 less all deductions allowed by law;

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

10 5. The amount of tax due;

11 5-5. The signature of the taxpayer; and

12 6. Such other reasonable information as the Department
13 may require.

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

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

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

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

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

25 All taxpayers required to make payment by electronic funds
26 transfer and any taxpayers authorized to voluntarily make

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

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

6 Before October 1, 2000, if the taxpayer's average monthly
7 tax liability to the Department under this Act, the Retailers'
8 Occupation Tax Act, the Service Occupation Tax Act, the Service
9 Use Tax Act was \$10,000 or more during the preceding 4 complete
10 calendar quarters, he shall file a return with the Department
11 each month by the 20th day of the month next following the
12 month during which such tax liability is incurred and shall
13 make payments to the Department on or before the 7th, 15th,
14 22nd and last day of the month during which such liability is
15 incurred. On and after October 1, 2000, if the taxpayer's
16 average monthly tax liability to the Department under this Act,
17 the Retailers' Occupation Tax Act, the Service Occupation Tax
18 Act, and the Service Use Tax Act was \$20,000 or more during the
19 preceding 4 complete calendar quarters, he shall file a return
20 with the Department each month by the 20th day of the month
21 next following the month during which such tax liability is
22 incurred and shall make payment to the Department on or before
23 the 7th, 15th, 22nd and last day of the month during which such
24 liability is incurred. If the month during which such tax
25 liability is incurred began prior to January 1, 1985, each
26 payment shall be in an amount equal to 1/4 of the taxpayer's

1 actual liability for the month or an amount set by the
2 Department not to exceed 1/4 of the average monthly liability
3 of the taxpayer to the Department for the preceding 4 complete
4 calendar quarters (excluding the month of highest liability and
5 the month of lowest liability in such 4 quarter period). If the
6 month during which such tax liability is incurred begins on or
7 after January 1, 1985, and prior to January 1, 1987, each
8 payment shall be in an amount equal to 22.5% of the taxpayer's
9 actual liability for the month or 27.5% of the taxpayer's
10 liability for the same calendar month of the preceding year. If
11 the month during which such tax liability is incurred begins on
12 or after January 1, 1987, and prior to January 1, 1988, each
13 payment shall be in an amount equal to 22.5% of the taxpayer's
14 actual liability for the month or 26.25% of the taxpayer's
15 liability for the same calendar month of the preceding year. If
16 the month during which such tax liability is incurred begins on
17 or after January 1, 1988, and prior to January 1, 1989, or
18 begins on or after January 1, 1996, each payment shall be in an
19 amount equal to 22.5% of the taxpayer's actual liability for
20 the month or 25% of the taxpayer's liability for the same
21 calendar month of the preceding year. If the month during which
22 such tax liability is incurred begins on or after January 1,
23 1989, and prior to January 1, 1996, each payment shall be in an
24 amount equal to 22.5% of the taxpayer's actual liability for
25 the month or 25% of the taxpayer's liability for the same
26 calendar month of the preceding year or 100% of the taxpayer's

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

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

22 If any such payment provided for in this Section exceeds
23 the taxpayer's liabilities under this Act, the Retailers'
24 Occupation Tax Act, the Service Occupation Tax Act and the
25 Service Use Tax Act, as shown by an original monthly return,
26 the Department shall issue to the taxpayer a credit memorandum

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

23 If the retailer is otherwise required to file a monthly
24 return and if the retailer's average monthly tax liability to
25 the Department does not exceed \$200, the Department may
26 authorize his returns to be filed on a quarter annual basis,

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

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

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

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

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 retailer selling this kind of

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

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

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

16 The transaction reporting return in the case of watercraft
17 and aircraft must show the name and address of the seller; the
18 name and address of the purchaser; the amount of the selling
19 price including the amount allowed by the retailer for
20 traded-in property, if any; the amount allowed by the retailer
21 for the traded-in tangible personal property, if any, to the
22 extent to which Section 2 of this Act allows an exemption for
23 the value of traded-in property; the balance payable after
24 deducting such trade-in allowance from the total selling price;
25 the amount of tax due from the retailer with respect to such
26 transaction; the amount of tax collected from the purchaser by

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

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

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

1 that is involved (if titling or registration is required) in
2 support of such purchaser's application for an Illinois
3 certificate or other evidence of title or registration to such
4 tangible personal property.

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

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

1 provided for in this Section being allowed. When the user pays
2 the tax directly to the Department, he shall pay the tax in the
3 same amount and in the same form in which it would be remitted
4 if the tax had been remitted to the Department by the retailer.

5 Where a retailer collects the tax with respect to the
6 selling price of tangible personal property which he sells and
7 the purchaser thereafter returns such tangible personal
8 property and the retailer refunds the selling price thereof to
9 the purchaser, such retailer shall also refund, to the
10 purchaser, the tax so collected from the purchaser. When filing
11 his return for the period in which he refunds such tax to the
12 purchaser, the retailer may deduct the amount of the tax so
13 refunded by him to the purchaser from any other use tax which
14 such retailer may be required to pay or remit to the
15 Department, as shown by such return, if the amount of the tax
16 to be deducted was previously remitted to the Department by
17 such retailer. If the retailer has not previously remitted the
18 amount of such tax to the Department, he is entitled to no
19 deduction under this Act upon refunding such tax to the
20 purchaser.

21 Any retailer filing a return under this Section shall also
22 include (for the purpose of paying tax thereon) the total tax
23 covered by such return upon the selling price of tangible
24 personal property purchased by him at retail from a retailer,
25 but as to which the tax imposed by this Act was not collected
26 from the retailer filing such return, and such retailer shall

1 remit the amount of such tax to the Department when filing such
2 return.

3 If experience indicates such action to be practicable, the
4 Department may prescribe and furnish a combination or joint
5 return which will enable retailers, who are required to file
6 returns hereunder and also under the Retailers' Occupation Tax
7 Act, to furnish all the return information required by both
8 Acts on the one form.

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

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

24 Beginning January 1, 1990, each month the Department shall
25 pay into the County and Mass Transit District Fund 4% of the
26 net revenue realized for the preceding month from the 6.25%

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

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

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

17 Beginning July 1, 2007, each month the Department must pay
18 into the State and Local Sales Tax Reform Fund 100% of the net
19 revenue realized for the preceding month from the 1.25% rate on
20 the selling price of propane and home heating oil sold to
21 residential consumers during the period from June 21, 2007
22 through September 21, 2007 and from November 21, 2007 through
23 March 21, 2008.

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

1 the selling price of tangible personal property which is
2 purchased outside Illinois at retail from a retailer and which
3 is titled or registered by an agency of this State's
4 government.

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

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

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

18 Subject to payment of amounts into the Build Illinois Fund
19 as provided in the preceding paragraph or in any amendment
20 thereto hereafter enacted, the following specified monthly
21 installment of the amount requested in the certificate of the
22 Chairman of the Metropolitan Pier and Exposition Authority
23 provided under Section 8.25f of the State Finance Act, but not
24 in excess of the sums designated as "Total Deposit", shall be
25 deposited in the aggregate from collections under Section 9 of
26 the Use Tax Act, Section 9 of the Service Use Tax Act, Section

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

4	Fiscal Year	Total Deposit
5	1993	\$0
6	1994	53,000,000
7	1995	58,000,000
8	1996	61,000,000
9	1997	64,000,000
10	1998	68,000,000
11	1999	71,000,000
12	2000	75,000,000
13	2001	80,000,000
14	2002	93,000,000
15	2003	99,000,000
16	2004	103,000,000
17	2005	108,000,000
18	2006	113,000,000
19	2007	119,000,000
20	2008	126,000,000
21	2009	132,000,000
22	2010	139,000,000
23	2011	146,000,000
24	2012	153,000,000
25	2013	161,000,000

1	2014	170,000,000
2	2015	179,000,000
3	2016	189,000,000
4	2017	199,000,000
5	2018	210,000,000
6	2019	221,000,000
7	2020	233,000,000
8	2021	246,000,000
9	2022	260,000,000
10	2023 and	275,000,000

11 each fiscal year
12 thereafter that bonds
13 are outstanding under
14 Section 13.2 of the
15 Metropolitan Pier and
16 Exposition Authority Act,
17 but not after fiscal year 2042.

18 Beginning July 20, 1993 and in each month of each fiscal
19 year thereafter, one-eighth of the amount requested in the
20 certificate of the Chairman of the Metropolitan Pier and
21 Exposition Authority for that fiscal year, less the amount
22 deposited into the McCormick Place Expansion Project Fund by
23 the State Treasurer in the respective month under subsection
24 (g) of Section 13 of the Metropolitan Pier and Exposition
25 Authority Act, plus cumulative deficiencies in the deposits
26 required under this Section for previous months and years,

1 shall be deposited into the McCormick Place Expansion Project
2 Fund, until the full amount requested for the fiscal year, but
3 not in excess of the amount specified above as "Total Deposit",
4 has been deposited.

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

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

26 Of the remainder of the moneys received by the Department

1 pursuant to this Act, 75% thereof shall be paid into the State
2 Treasury and 25% shall be reserved in a special account and
3 used only for the transfer to the Common School Fund as part of
4 the monthly transfer from the General Revenue Fund in
5 accordance with Section 8a of the State Finance Act.

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

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

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

24 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06.)

25 Section 15. The Service Use Tax Act is amended by changing

1 Sections 3-10 and 9 as follows:

2 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

9 From June 21, 2007 through September 21, 2007 and from
10 November 21, 2007 through March 21, 2008, with respect to
11 propane and home heating oil sold to residential consumers, as
12 defined in Section 2 of the Gas Revenue Act, the tax is imposed
13 at the rate of 1.25%.

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

18 With respect to gasohol, as defined in the Use Tax Act, the
19 tax imposed by this Act applies to (i) 70% of the selling price
20 of property transferred as an incident to the sale of service
21 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
22 of the selling price of property transferred as an incident to
23 the sale of service on or after July 1, 2003 and on or before
24 December 31, 2013, and (iii) 100% of the selling price
25 thereafter. If, at any time, however, the tax under this Act on

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

4 With respect to majority blended ethanol fuel, as defined
5 in the Use Tax Act, the tax imposed by this Act does not apply
6 to the selling price of property transferred as an incident to
7 the sale of service on or after July 1, 2003 and on or before
8 December 31, 2013 but applies to 100% of the selling price
9 thereafter.

10 With respect to biodiesel blends, as defined in the Use Tax
11 Act, with no less than 1% and no more than 10% biodiesel, the
12 tax imposed by this Act applies to (i) 80% of the selling price
13 of property transferred as an incident to the sale of service
14 on or after July 1, 2003 and on or before December 31, 2013 and
15 (ii) 100% of the proceeds of the selling price thereafter. If,
16 at any time, however, the tax under this Act on sales of
17 biodiesel blends, as defined in the Use Tax Act, with no less
18 than 1% and no more than 10% biodiesel is imposed at the rate
19 of 1.25%, then the tax imposed by this Act applies to 100% of
20 the proceeds of sales of biodiesel blends with no less than 1%
21 and no more than 10% biodiesel made during that time.

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

1 on or after July 1, 2003 and on or before December 31, 2013 but
2 applies to 100% of the selling price thereafter.

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

13 The tax shall be imposed at the rate of 1% on food prepared
14 for immediate consumption and transferred incident to a sale of
15 service subject to this Act or the Service Occupation Tax Act
16 by an entity licensed under the Hospital Licensing Act, the
17 Nursing Home Care Act, or the Child Care Act of 1969. The tax
18 shall also be imposed at the rate of 1% on food for human
19 consumption that is to be consumed off the premises where it is
20 sold (other than alcoholic beverages, soft drinks, and food
21 that has been prepared for immediate consumption and is not
22 otherwise included in this paragraph) and prescription and
23 nonprescription medicines, drugs, medical appliances,
24 modifications to a motor vehicle for the purpose of rendering
25 it usable by a disabled person, and insulin, urine testing
26 materials, syringes, and needles used by diabetics, for human

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

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

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

26 (Source: P.A. 93-17, eff. 6-11-03.)

1 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

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

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

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

5 1. The name of the seller;

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

8 3. The total amount of taxable receipts received by him
9 during the preceding calendar month, including receipts
10 from charge and time sales, but less all deductions allowed
11 by law;

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

14 5. The amount of tax due;

15 5-5. The signature of the taxpayer; and

16 6. Such other reasonable information as the Department
17 may require.

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

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

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

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

26 Any taxpayer not required to make payments by electronic

1 funds transfer may make payments by electronic funds transfer
2 with the permission of the Department.

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

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

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

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

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

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

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

1 the purchaser.

2 Any serviceman filing a return hereunder shall also include
3 the total tax upon the selling price of tangible personal
4 property purchased for use by him as an incident to a sale of
5 service, and such serviceman shall remit the amount of such tax
6 to the Department when filing such return.

7 If experience indicates such action to be practicable, the
8 Department may prescribe and furnish a combination or joint
9 return which will enable servicemen, who are required to file
10 returns hereunder and also under the Service Occupation Tax
11 Act, to furnish all the return information required by both
12 Acts on the one form.

13 Where the serviceman has more than one business registered
14 with the Department under separate registration hereunder,
15 such serviceman shall not file each return that is due as a
16 single return covering all such registered businesses, but
17 shall file separate returns for each such registered business.

18 Beginning January 1, 1990, each month the Department shall
19 pay into the State and Local Tax Reform Fund, a special fund in
20 the State Treasury, the net revenue realized for the preceding
21 month from the 1% tax on sales of food for human consumption
22 which is to be consumed off the premises where it is sold
23 (other than alcoholic beverages, soft drinks and food which has
24 been prepared for immediate consumption) and prescription and
25 nonprescription medicines, drugs, medical appliances and
26 insulin, urine testing materials, syringes and needles used by

1 diabetics.

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

9 Beginning August 1, 2000, each month the Department shall
10 pay into the State and Local Sales Tax Reform Fund 100% 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.

13 Beginning July 1, 2007, each month the Department must pay
14 into the State and Local Sales Tax Reform Fund 100% of the net
15 revenue realized for the preceding month from the 1.25% rate on
16 the selling price of propane and home heating oil sold to
17 residential consumers during the period from June 21, 2007
18 through September 21, 2007 and from November 21, 2007 through
19 March 21, 2008.

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

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

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

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

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

	Fiscal Year	Total Deposit
19		
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	246,000,000
24	2022	260,000,000
25	2023 and	275,000,000
26	each fiscal year	

1 thereafter that bonds
2 are outstanding under
3 Section 13.2 of the
4 Metropolitan Pier and
5 Exposition Authority Act,
6 but not after fiscal year 2042.

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

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

1 property.

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

15 All remaining moneys received by the Department pursuant to
16 this Act shall be paid into the General Revenue Fund of the
17 State Treasury.

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

25 Net revenue realized for a month shall be the revenue
26 collected by the State pursuant to this Act, less the amount

1 paid out during that month as refunds to taxpayers for
2 overpayment of liability.

3 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06.)

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

6 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 the "selling price", as defined in Section 2 of the Service Use
10 Tax Act, of the tangible personal property. For the purpose of
11 computing this tax, in no event shall the "selling price" be
12 less than the cost price to the serviceman of the tangible
13 personal property transferred. The selling price of each item
14 of tangible personal property transferred as an incident of a
15 sale of service may be shown as a distinct and separate item on
16 the serviceman's billing to the service customer. If the
17 selling price is not so shown, the selling price of the
18 tangible personal property is deemed to be 50% of the
19 serviceman's entire billing to the service customer. When,
20 however, a serviceman contracts to design, develop, and produce
21 special order machinery or equipment, the tax imposed by this
22 Act shall be based on the serviceman's cost price of the
23 tangible personal property transferred incident to the
24 completion of the contract.

1 From June 21, 2007 through September 21, 2007 and from
2 November 21, 2007 through March 21, 2008, with respect to
3 propane and home heating oil sold to residential consumers, as
4 defined in Section 2 of the Gas Revenue Tax Act, the tax is
5 imposed at the rate of 1.25%.

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

10 With respect to gasohol, as defined in the Use Tax Act, the
11 tax imposed by this Act shall apply to (i) 70% of the cost
12 price of property transferred as an incident to the sale of
13 service on or after January 1, 1990, and before July 1, 2003,
14 (ii) 80% of the selling price of property transferred as an
15 incident to the sale of service on or after July 1, 2003 and on
16 or before December 31, 2013, and (iii) 100% of the cost price
17 thereafter. If, at any time, however, the tax under this Act on
18 sales of gasohol, as defined in the Use Tax Act, is imposed at
19 the rate of 1.25%, then the tax imposed by this Act applies to
20 100% of the proceeds of sales of gasohol made during that time.

21 With respect to majority blended ethanol fuel, as defined
22 in the Use Tax Act, the tax imposed by this Act does not apply
23 to the selling price of property transferred as an incident to
24 the sale of service on or after July 1, 2003 and on or before
25 December 31, 2013 but applies to 100% of the selling price
26 thereafter.

1 With respect to biodiesel blends, as defined in the Use Tax
2 Act, with no less than 1% and no more than 10% biodiesel, the
3 tax imposed by this Act applies to (i) 80% of the selling price
4 of property transferred as an incident to the sale of service
5 on or after July 1, 2003 and on or before December 31, 2013 and
6 (ii) 100% of the proceeds of the selling price thereafter. If,
7 at any time, however, the tax under this Act on sales of
8 biodiesel blends, as defined in the Use Tax Act, with no less
9 than 1% and no more than 10% biodiesel is imposed at the rate
10 of 1.25%, then the tax imposed by this Act applies to 100% of
11 the proceeds of sales of biodiesel blends with no less than 1%
12 and no more than 10% biodiesel made during that time.

13 With respect to 100% biodiesel, as defined in the Use Tax
14 Act, and biodiesel blends, as defined in the Use Tax Act, with
15 more than 10% but no more than 99% biodiesel material, the tax
16 imposed by this Act does not apply to the proceeds of the
17 selling price of property transferred as an incident to the
18 sale of service on or after July 1, 2003 and on or before
19 December 31, 2013 but applies to 100% of the selling price
20 thereafter.

21 At the election of any registered serviceman made for each
22 fiscal year, sales of service in which the aggregate annual
23 cost price of tangible personal property transferred as an
24 incident to the sales of service is less than 35%, or 75% in
25 the case of servicemen transferring prescription drugs or
26 servicemen engaged in graphic arts production, of the aggregate

1 annual total gross receipts from all sales of service, the tax
2 imposed by this Act shall be based on the serviceman's cost
3 price of the tangible personal property transferred incident to
4 the sale of those services.

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

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

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

10 (Source: P.A. 93-17, eff. 6-11-03.)

11 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

22 Where such tangible personal property is sold under a
23 conditional sales contract, or under any other form of sale
24 wherein the payment of the principal sum, or a part thereof, is
25 extended beyond the close of the period for which the return is

1 filed, the serviceman, in collecting the tax may collect, for
2 each tax return period, only the tax applicable to the part of
3 the selling price actually received during such tax return
4 period.

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

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

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

1 Act;

2 5. The amount of tax due;

3 5-5. The signature of the taxpayer; and

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

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

10 Prior to October 1, 2003, and on and after September 1,
11 2004 a serviceman may accept a Manufacturer's Purchase Credit
12 certification from a purchaser in satisfaction of Service Use
13 Tax as provided in Section 3-70 of the Service Use Tax Act if
14 the purchaser provides the appropriate documentation as
15 required by Section 3-70 of the Service Use Tax Act. A
16 Manufacturer's Purchase Credit certification, accepted prior
17 to October 1, 2003 or on or after September 1, 2004 by a
18 serviceman as provided in Section 3-70 of the Service Use Tax
19 Act, may be used by that serviceman to satisfy Service
20 Occupation Tax liability in the amount claimed in the
21 certification, not to exceed 6.25% of the receipts subject to
22 tax from a qualifying purchase. A Manufacturer's Purchase
23 Credit reported on any original or amended return filed under
24 this Act after October 20, 2003 for reporting periods prior to
25 September 1, 2004 shall be disallowed. Manufacturer's Purchase
26 Credit reported on annual returns due on or after January 1,

1 2005 will be disallowed for periods prior to September 1, 2004.
2 No Manufacturer's Purchase Credit may be used after September
3 30, 2003 through August 31, 2004 to satisfy any tax liability
4 imposed under this Act, including any audit liability.

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

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

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

22 Notwithstanding any other provision in this Act concerning
23 the time within which a serviceman may file his return, in the
24 case of any serviceman who ceases to engage in a kind of
25 business which makes him responsible for filing returns under
26 this Act, such serviceman shall file a final return under this

1 Act with the Department not more than 1 month after
2 discontinuing such business.

3 Beginning October 1, 1993, a taxpayer who has an average
4 monthly tax liability of \$150,000 or more shall make all
5 payments required by rules of the Department by electronic
6 funds transfer. Beginning October 1, 1994, a taxpayer who has
7 an average monthly tax liability of \$100,000 or more shall make
8 all payments required by rules of the Department by electronic
9 funds transfer. Beginning October 1, 1995, a taxpayer who has
10 an average monthly tax liability of \$50,000 or more shall make
11 all payments required by rules of the Department by electronic
12 funds transfer. Beginning October 1, 2000, a taxpayer who has
13 an annual tax liability of \$200,000 or more shall make all
14 payments required by rules of the Department by electronic
15 funds transfer. The term "annual tax liability" shall be the
16 sum of the taxpayer's liabilities under this Act, and under all
17 other State and local occupation and use tax laws administered
18 by the Department, for the immediately preceding calendar year.
19 The term "average monthly tax liability" means the sum of the
20 taxpayer's liabilities under this Act, and under all other
21 State and local occupation and use tax laws administered by the
22 Department, for the immediately preceding calendar year
23 divided by 12. Beginning on October 1, 2002, a taxpayer who has
24 a tax liability in the amount set forth in subsection (b) of
25 Section 2505-210 of the Department of Revenue Law shall make
26 all payments required by rules of the Department by electronic

1 funds transfer.

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

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

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

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

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

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

8 If experience indicates such action to be practicable, the
9 Department may prescribe and furnish a combination or joint
10 return which will enable servicemen, who are required to file
11 returns hereunder and also under the Retailers' Occupation Tax
12 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
13 the return information required by all said Acts on the one
14 form.

15 Where the serviceman has more than one business registered
16 with the Department under separate registrations hereunder,
17 such serviceman shall file separate returns for each registered
18 business.

19 Beginning January 1, 1990, each month the Department shall
20 pay into the Local Government Tax Fund the revenue realized for
21 the preceding month from the 1% tax on sales of food for human
22 consumption which is to be consumed off the premises where it
23 is sold (other than alcoholic beverages, soft drinks and food
24 which has been prepared for immediate consumption) and
25 prescription and nonprescription medicines, drugs, medical
26 appliances and insulin, urine testing materials, syringes and

1 needles used by diabetics.

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

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

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

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

18 Beginning July 1, 2007, each month the Department shall pay
19 into the Local Government Tax Fund 80% of the net revenue
20 realized for the preceding month from the 1.25% rate on the
21 selling price of propane and home heating oil sold to
22 residential consumers during the period from June 21, 2007
23 through September 21, 2007 and from November 21, 2007 through
24 March 21, 2008.

25 Beginning July 1, 2007, each month the Department shall pay
26 into the County and Mass Transit District Fund 20% of the net

1 revenue realized for the preceding month from the 1.25% rate on
2 the selling price of propane and home heating oil sold to
3 residential consumers during the period from June 21, 2007
4 through September 21, 2007 and from November 21, 2007 through
5 March 21, 2008.

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

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

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

19 Subject to payment of amounts into the Build Illinois Fund
20 as provided in the preceding paragraph or in any amendment
21 thereto hereafter enacted, the following specified monthly
22 installment of the amount requested in the certificate of the
23 Chairman of the Metropolitan Pier and Exposition Authority
24 provided under Section 8.25f of the State Finance Act, but not
25 in excess of the sums designated as "Total Deposit", shall be
26 deposited in the aggregate from collections under Section 9 of

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

	Fiscal Year	Total Deposit
5		
6	1993	\$0
7	1994	53,000,000
8	1995	58,000,000
9	1996	61,000,000
10	1997	64,000,000
11	1998	68,000,000
12	1999	71,000,000
13	2000	75,000,000
14	2001	80,000,000
15	2002	93,000,000
16	2003	99,000,000
17	2004	103,000,000
18	2005	108,000,000
19	2006	113,000,000
20	2007	119,000,000
21	2008	126,000,000
22	2009	132,000,000
23	2010	139,000,000
24	2011	146,000,000
25	2012	153,000,000

1	2013	161,000,000
2	2014	170,000,000
3	2015	179,000,000
4	2016	189,000,000
5	2017	199,000,000
6	2018	210,000,000
7	2019	221,000,000
8	2020	233,000,000
9	2021	246,000,000
10	2022	260,000,000
11	2023 and	275,000,000

12 each fiscal year
13 thereafter that bonds
14 are outstanding under
15 Section 13.2 of the
16 Metropolitan Pier and
17 Exposition Authority Act,
18 but not after fiscal year 2042.

19 Beginning July 20, 1993 and in each month of each fiscal
20 year thereafter, one-eighth of the amount requested in the
21 certificate of the Chairman of the Metropolitan Pier and
22 Exposition Authority for that fiscal year, less the amount
23 deposited into the McCormick Place Expansion Project Fund by
24 the State Treasurer in the respective month under subsection
25 (g) of Section 13 of the Metropolitan Pier and Exposition
26 Authority Act, plus cumulative deficiencies in the deposits

1 required under this Section for previous months and years,
2 shall be deposited into the McCormick Place Expansion Project
3 Fund, until the full amount requested for the fiscal year, but
4 not in excess of the amount specified above as "Total Deposit",
5 has been deposited.

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

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

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

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

1 If the annual information return required by this Section
2 is not filed when and as required, the taxpayer shall be liable
3 as follows:

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

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

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

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

26 As soon as possible after the first day of each month, upon

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

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

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

19 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;
20 94-1074, eff. 12-26-06.)

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

23 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

24 Sec. 2-10. Rate of tax. Unless otherwise provided in this

1 Section, the tax imposed by this Act is at the rate of 6.25% of
2 gross receipts from sales of tangible personal property made in
3 the course of business.

4 From June 21, 2007 through September 21, 2007 and from
5 November 21, 2007 through March 21, 2008, with respect to
6 propane and home heating oil sold to residential consumers, as
7 defined in Section 2 of the Gas Revenue Tax Act, the tax is
8 imposed at the rate of 1.25%.

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

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

1 retail premises where a violation occurs.

2 With respect to gasohol, as defined in the Use Tax Act, the
3 tax imposed by this Act applies to (i) 70% of the proceeds of
4 sales made on or after January 1, 1990, and before July 1,
5 2003, (ii) 80% of the proceeds of sales made on or after July
6 1, 2003 and on or before December 31, 2013, and (iii) 100% of
7 the proceeds of sales made thereafter. If, at any time,
8 however, the tax under this Act on sales of gasohol, as defined
9 in the Use Tax Act, is imposed at the rate of 1.25%, then the
10 tax imposed by this Act applies to 100% of the proceeds of
11 sales of gasohol made during that time.

12 With respect to majority blended ethanol fuel, as defined
13 in the Use Tax Act, the tax imposed by this Act does not apply
14 to the proceeds of sales made on or after July 1, 2003 and on or
15 before December 31, 2013 but applies to 100% of the proceeds of
16 sales made thereafter.

17 With respect to biodiesel blends, as defined in the Use Tax
18 Act, with no less than 1% and no more than 10% biodiesel, the
19 tax imposed by this Act applies to (i) 80% of the proceeds of
20 sales made on or after July 1, 2003 and on or before December
21 31, 2013 and (ii) 100% of the proceeds of sales made
22 thereafter. If, at any time, however, the tax under this Act on
23 sales of biodiesel blends, as defined in the Use Tax Act, with
24 no less than 1% and no more than 10% biodiesel is imposed at
25 the rate of 1.25%, then the tax imposed by this Act applies to
26 100% of the proceeds of sales of biodiesel blends with no less

1 than 1% and no more than 10% biodiesel made during that time.

2 With respect to 100% biodiesel, as defined in the Use Tax
3 Act, and biodiesel blends, as defined in the Use Tax Act, with
4 more than 10% but no more than 99% biodiesel, the tax imposed
5 by this Act does not apply to the proceeds of sales made on or
6 after July 1, 2003 and on or before December 31, 2013 but
7 applies to 100% of the proceeds of sales made thereafter.

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

1 50% or more natural fruit or vegetable juice.

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

8 (Source: P.A. 93-17, eff. 6-11-03.)

9 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

15 1. The name of the seller;

16 2. His residence address and the address of his
17 principal place of business and the address of the
18 principal place of business (if that is a different
19 address) from which he engages in the business of selling
20 tangible personal property at retail in this State;

21 3. Total amount of receipts received by him during the
22 preceding calendar month or quarter, as the case may be,
23 from sales of tangible personal property, and from services
24 furnished, by him during such preceding calendar month or
25 quarter;

1 4. Total amount received by him during the preceding
2 calendar month or quarter on charge and time sales of
3 tangible personal property, and from services furnished,
4 by him prior to the month or quarter for which the return
5 is filed;

6 5. Deductions allowed by law;

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

10 7. The amount of credit provided in Section 2d of this
11 Act;

12 8. The amount of tax due;

13 9. The signature of the taxpayer; and

14 10. Such other reasonable information as the
15 Department may require.

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

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

23 Prior to October 1, 2003, and on and after September 1,
24 2004 a retailer may accept a Manufacturer's Purchase Credit
25 certification from a purchaser in satisfaction of Use Tax as
26 provided in Section 3-85 of the Use Tax Act if the purchaser

1 provides the appropriate documentation as required by Section
2 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
3 certification, accepted by a retailer prior to October 1, 2003
4 and on and after September 1, 2004 as provided in Section 3-85
5 of the Use Tax Act, may be used by that retailer to satisfy
6 Retailers' Occupation Tax liability in the amount claimed in
7 the certification, not to exceed 6.25% of the receipts subject
8 to tax from a qualifying purchase. A Manufacturer's Purchase
9 Credit reported on any original or amended return filed under
10 this Act after October 20, 2003 for reporting periods prior to
11 September 1, 2004 shall be disallowed. Manufacturer's
12 Purchaser Credit reported on annual returns due on or after
13 January 1, 2005 will be disallowed for periods prior to
14 September 1, 2004. No Manufacturer's Purchase Credit may be
15 used after September 30, 2003 through August 31, 2004 to
16 satisfy any tax liability imposed under this Act, including any
17 audit liability.

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

- 25 1. The name of the seller;
- 26 2. The address of the principal place of business from

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

3 3. The total amount of taxable receipts received by him
4 during the preceding calendar month from sales of tangible
5 personal property by him during such preceding calendar
6 month, including receipts from charge and time sales, but
7 less all deductions allowed by law;

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

10 5. The amount of tax due; and

11 6. Such other reasonable information as the Department
12 may require.

13 Beginning on October 1, 2003, any person who is not a
14 licensed distributor, importing distributor, or manufacturer,
15 as defined in the Liquor Control Act of 1934, but is engaged in
16 the business of selling, at retail, alcoholic liquor shall file
17 a statement with the Department of Revenue, in a format and at
18 a time prescribed by the Department, showing the total amount
19 paid for alcoholic liquor purchased during the preceding month
20 and such other information as is reasonably required by the
21 Department. The Department may adopt rules to require that this
22 statement be filed in an electronic or telephonic format. Such
23 rules may provide for exceptions from the filing requirements
24 of this paragraph. For the purposes of this paragraph, the term
25 "alcoholic liquor" shall have the meaning prescribed in the
26 Liquor Control Act of 1934.

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

1 not limited to, the use of a secure Internet website, e-mail,
2 or facsimile.

3 If a total amount of less than \$1 is payable, refundable or
4 creditable, such amount shall be disregarded if it is less than
5 50 cents and shall be increased to \$1 if it is 50 cents or more.

6 Beginning October 1, 1993, a taxpayer who has an average
7 monthly tax liability of \$150,000 or more shall make all
8 payments required by rules of the Department by electronic
9 funds transfer. Beginning October 1, 1994, a taxpayer who has
10 an average monthly tax liability of \$100,000 or more shall make
11 all payments required by rules of the Department by electronic
12 funds transfer. Beginning October 1, 1995, a taxpayer who has
13 an average monthly tax liability of \$50,000 or more shall make
14 all payments required by rules of the Department by electronic
15 funds transfer. Beginning October 1, 2000, a taxpayer who has
16 an annual tax liability of \$200,000 or more shall make all
17 payments required by rules of the Department by electronic
18 funds transfer. The term "annual tax liability" shall be the
19 sum of the taxpayer's liabilities under this Act, and under all
20 other State and local occupation and use tax laws administered
21 by the Department, for the immediately preceding calendar year.
22 The term "average monthly tax liability" shall be the sum of
23 the taxpayer's liabilities under this Act, and under all other
24 State and local occupation and use tax laws administered by the
25 Department, for the immediately preceding calendar year
26 divided by 12. Beginning on October 1, 2002, a taxpayer who has

1 a tax liability in the amount set forth in subsection (b) of
2 Section 2505-210 of the Department of Revenue Law shall make
3 all payments required by rules of the Department by electronic
4 funds transfer.

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

10 Any taxpayer not required to make payments by electronic
11 funds transfer may make payments by electronic funds transfer
12 with the permission of the Department.

13 All taxpayers required to make payment by electronic funds
14 transfer and any taxpayers authorized to voluntarily make
15 payments by electronic funds transfer shall make those payments
16 in the manner authorized by the Department.

17 The Department shall adopt such rules as are necessary to
18 effectuate a program of electronic funds transfer and the
19 requirements of this Section.

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

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

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

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

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

1 business.

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

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

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

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. Any prepayment made pursuant
21 to Section 2d of this Act shall be included in the amount on
22 which such 2.1% or 1.75% discount is computed. In the case of
23 retailers who report and pay the tax on a transaction by
24 transaction basis, as provided in this Section, such discount
25 shall be taken with each such tax remittance instead of when
26 such retailer files his periodic return.

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

1 of the taxpayer to the Department for the preceding 4 complete
2 calendar quarters (excluding the month of highest liability and
3 the month of lowest liability in such 4 quarter period). If the
4 month during which such tax liability is incurred begins on or
5 after January 1, 1985 and prior to January 1, 1987, each
6 payment shall be in an amount equal to 22.5% of the taxpayer's
7 actual liability for the month or 27.5% of the taxpayer's
8 liability for the same calendar month of the preceding year. If
9 the month during which such tax liability is incurred begins on
10 or after January 1, 1987 and prior to January 1, 1988, each
11 payment shall be in an amount equal to 22.5% of the taxpayer's
12 actual liability for the month or 26.25% 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, 1988, and prior to January 1, 1989, or
16 begins on or after January 1, 1996, each payment shall be in an
17 amount equal to 22.5% of the taxpayer's actual liability for
18 the month or 25% of the taxpayer's liability for the same
19 calendar month of the preceding year. If the month during which
20 such tax liability is incurred begins on or after January 1,
21 1989, and prior to 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 or 100% of the taxpayer's
25 actual liability for the quarter monthly reporting period. The
26 amount of such quarter monthly payments shall be credited

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

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

24 The provisions of this paragraph apply before October 1,
25 2001. Without regard to whether a taxpayer is required to make
26 quarter monthly payments as specified above, any taxpayer who

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

1 prepaid tax collections during the preceding 2 complete
2 calendar quarters is \$25,000 or less. If any such quarter
3 monthly payment is not paid at the time or in the amount
4 required, the taxpayer shall be liable for penalties and
5 interest on such difference, except insofar as the taxpayer has
6 previously made payments for that month in excess of the
7 minimum payments previously due.

8 The provisions of this paragraph apply on and after October
9 1, 2001. Without regard to whether a taxpayer is required to
10 make quarter monthly payments as specified above, any taxpayer
11 who is required by Section 2d of this Act to collect and remit
12 prepaid taxes and has collected prepaid taxes that average in
13 excess of \$20,000 per month during the preceding 4 complete
14 calendar quarters shall file a return with the Department as
15 required by Section 2f and shall make payments to the
16 Department on or before the 7th, 15th, 22nd and last day of the
17 month during which the liability is incurred. Each payment
18 shall be in an amount equal to 22.5% of the taxpayer's actual
19 liability for the month or 25% of the taxpayer's liability for
20 the same calendar month of the preceding year. The amount of
21 the quarter monthly payments shall be credited against the
22 final tax liability of the taxpayer's return for that month
23 filed under this Section or Section 2f, as the case may be.
24 Once applicable, the requirement of the making of quarter
25 monthly payments to the Department pursuant to this paragraph
26 shall continue until the taxpayer's average monthly prepaid tax

1 collections during the preceding 4 complete calendar quarters
2 (excluding the month of highest liability and the month of
3 lowest liability) is less than \$19,000 or until such taxpayer's
4 average monthly liability to the Department as computed for
5 each calendar quarter of the 4 preceding complete calendar
6 quarters is less than \$20,000. If any such quarter monthly
7 payment is not paid at the time or in the amount required, the
8 taxpayer shall be liable for penalties and interest on such
9 difference, except insofar as the taxpayer has previously made
10 payments for that month in excess of the minimum payments
11 previously due.

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

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

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

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

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

1 general rate.

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

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

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

14 Beginning July 1, 2007, each month the Department shall pay
15 into the Local Government Tax Fund 80% of the net revenue
16 realized for the preceding month from the 1.25% rate on the
17 selling price of propane and home heating oil sold to
18 residential consumers during the period from June 21, 2007
19 through September 21, 2007 and from November 21, 2007 through
20 March 21, 2008.

21 Beginning July 1, 2007, each month the Department shall pay
22 into the County and Mass Transit District Fund 20% of the net
23 revenue realized for the preceding month from the 1.25% rate on
24 the selling price of propane and home heating oil sold to
25 residential consumers during the period from June 21, 2007
26 through September 21, 2007 and from November 21, 2007 through

1 March 21, 2008.

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

22	Fiscal Year	Annual Specified Amount
23	1986	\$54,800,000
24	1987	\$76,650,000
25	1988	\$80,480,000
26	1989	\$88,510,000

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

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

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

1 Act.

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

14	Fiscal Year	Total Deposit
15	1993	\$0
16	1994	53,000,000
17	1995	58,000,000
18	1996	61,000,000
19	1997	64,000,000
20	1998	68,000,000
21	1999	71,000,000
22	2000	75,000,000
23	2001	80,000,000
24	2002	93,000,000
25	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 and	275,000,000

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

1 but not after fiscal year 2042.

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

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

23 Subject to payment of amounts into the Build Illinois Fund
24 and the McCormick Place Expansion Project Fund pursuant to the
25 preceding paragraphs or in any amendments thereto hereafter
26 enacted, beginning with the receipt of the first report of

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

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

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

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

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

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

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

26 The chief executive officer, proprietor, owner or highest

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

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

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

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

23 For greater simplicity of administration, manufacturers,
24 importers and wholesalers whose products are sold at retail in
25 Illinois by numerous retailers, and who wish to do so, may
26 assume the responsibility for accounting and paying to the

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

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

21 Any person engaged in the business of selling tangible
22 personal property at retail as a concessionaire or other type
23 of seller at the Illinois State Fair, county fairs, art shows,
24 flea markets and similar exhibitions or events, or any
25 transient merchants, as defined by Section 2 of the Transient
26 Merchant Act of 1987, may be required to make a daily report of

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

15 (Source: P.A. 93-22, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840,
16 eff. 7-30-04; 93-926, eff. 8-12-04; 93-1057, eff. 12-2-04;
17 94-1074, eff. 12-26-06.)

18 Section 30. The Gas Revenue Tax Act is amended by changing
19 Section 2 as follows:

20 (35 ILCS 615/2) (from Ch. 120, par. 467.17)

21 Sec. 2. Tax imposed; rate.

22 (a) Except as provided in subsection (b), a ~~A~~ tax is
23 imposed upon persons engaged in the business of distributing,
24 supplying, furnishing or selling gas to persons for use or

1 consumption and not for resale at the rate of 2.4 cents per
2 therm of all gas which is so distributed, supplied, furnished,
3 sold or transported to or for each customer in the course of
4 such business, or 5% of the gross receipts received from each
5 customer from such business, whichever is the lower rate as
6 applied to each customer for that customer's billing period,
7 provided that any change in rate imposed by this amendatory Act
8 of 1985 shall become effective only with bills having a meter
9 reading date on or after January 1, 1986. However, such taxes
10 are not imposed with respect to any business in interstate
11 commerce, or otherwise to the extent to which such business may
12 not, under the Constitution and statutes of the United States,
13 be made the subject of taxation by this State.

14 Nothing in this amendatory Act of 1985 shall impose a tax
15 with respect to any transaction with respect to which no tax
16 was imposed immediately preceding the effective date of this
17 amendatory Act of 1985.

18 Beginning with bills issued to customers on and after
19 October 1, 2003, no tax shall be imposed under this Act on
20 transactions with customers who incur a tax liability under the
21 Gas Use Tax Law.

22 (b) No tax is imposed under this Section for gas
23 distributed, supplied, furnished, sold, or transported to a
24 residential customer if the bill to the residential customer
25 for such gas is issued between June 21, 2007 through September
26 21, 2007 or between November 21, 2007 through March 21, 2008.

1 For purposes of this subsection, "residential customer" means a
2 customer who is receiving gas or gas service for household
3 purposes that is either (i) distributed to a dwelling of 2 or
4 fewer units and billed under a residential rate or (ii)
5 distributed to a dwelling unit or units, billed under a
6 residential rate, and registered by a separate meter for each
7 dwelling unit.

8 (Source: P.A. 93-31, eff. 10-1-03.)

9 Section 35. The Electricity Excise Tax Law is amended by
10 changing Section 2-4 as follows:

11 (35 ILCS 640/2-4)

12 Sec. 2-4. Tax imposed.

13 (a) Except as provided in subsection (b), a tax is imposed
14 on the privilege of using in this State electricity purchased
15 for use or consumption and not for resale, other than by
16 municipal corporations owning and operating a local
17 transportation system for public service, at the following
18 rates per kilowatt-hour delivered to the purchaser:

19 (i) For the first 2000 kilowatt-hours used or consumed
20 in a month: 0.330 cents per kilowatt-hour;

21 (ii) For the next 48,000 kilowatt-hours used or
22 consumed in a month: 0.319 cents per kilowatt-hour;

23 (iii) For the next 50,000 kilowatt-hours used or
24 consumed in a month: 0.303 cents per kilowatt-hour;

1 (iv) For the next 400,000 kilowatt-hours used or
2 consumed in a month: 0.297 cents per kilowatt-hour;

3 (v) For the next 500,000 kilowatt-hours used or
4 consumed in a month: 0.286 cents per kilowatt-hour;

5 (vi) For the next 2,000,000 kilowatt-hours used or
6 consumed in a month: 0.270 cents per kilowatt-hour;

7 (vii) For the next 2,000,000 kilowatt-hours used or
8 consumed in a month: 0.254 cents per kilowatt-hour;

9 (viii) For the next 5,000,000 kilowatt-hours used or
10 consumed in a month: 0.233 cents per kilowatt-hour;

11 (ix) For the next 10,000,000 kilowatt-hours used or
12 consumed in a month: 0.207 cents per kilowatt-hour;

13 (x) For all electricity in excess of 20,000,000
14 kilowatt-hours used or consumed in a month: 0.202 cents per
15 kilowatt-hour.

16 Provided, that in lieu of the foregoing rates, the tax is
17 imposed on a self-assessing purchaser at the rate of 5.1% of
18 the self-assessing purchaser's purchase price for all
19 electricity distributed, supplied, furnished, sold,
20 transmitted and delivered to the self-assessing purchaser in a
21 month.

22 (b) A tax is imposed on the privilege of using in this
23 State electricity purchased from a municipal system or electric
24 cooperative, as defined in Article XVII of the Public Utilities
25 Act, which has not made an election as permitted by either
26 Section 17-200 or Section 17-300 of such Act, at the lesser of

1 0.32 cents per kilowatt hour of all electricity distributed,
2 supplied, furnished, sold, transmitted, and delivered by such
3 municipal system or electric cooperative to the purchaser or 5%
4 of each such purchaser's purchase price for all electricity
5 distributed, supplied, furnished, sold, transmitted, and
6 delivered by such municipal system or electric cooperative to
7 the purchaser, whichever is the lower rate as applied to each
8 purchaser in each billing period.

9 (c) The tax imposed by this Section 2-4 is not imposed with
10 respect to any use of electricity by business enterprises
11 certified under Section 9-222.1 or 9-222.1A of the Public
12 Utilities Act, as amended, to the extent of such exemption and
13 during the time specified by the Department of Commerce and
14 Economic Opportunity; or with respect to any transaction in
15 interstate commerce, or otherwise, to the extent to which such
16 transaction may not, under the Constitution and statutes of the
17 United States, be made the subject of taxation by this State.

18 (d) No tax is imposed under this Section for the use of
19 electricity by a residential customer between June 21, 2007
20 through September 21, 2007 or between November 21, 2007 through
21 March 21, 2008. For purposes of this subsection, "residential
22 customer" means a customer who uses electricity for household
23 purposes that is either (i) distributed to a dwelling of 2 or
24 fewer units or (ii) distributed to a dwelling unit or units and
25 registered by a separate meter for each dwelling unit.

26 (Source: P.A. 94-793, eff. 5-19-06.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".