



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2798

Introduced 2/6/2025, by Rep. Tony M. McCombie

#### SYNOPSIS AS INTRODUCED:

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

Amends the Use Tax Act, the Retailers' Occupation Tax Act, and the State Finance Act. Provides for a sales tax holiday on school supplies during the first 7 days of August of each calendar year. Effective immediately.

LRB104 03457 HLH 19656 b

1 AN ACT concerning revenue.

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

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

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

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

16 Moneys transferred from the Grocery Tax Replacement Fund  
17 to the Local Government Tax Fund under Section 6z-130 shall be  
18 treated under this Section in the same manner as if they had  
19 been remitted with the return on which they were reported.

20 A portion of the money paid into the Local Government Tax  
21 Fund from the 6.25% general use tax rate on the selling price  
22 of tangible personal property which is purchased outside  
23 Illinois at retail from a retailer and which is titled or

1 registered by any agency of this State's government shall be  
2 distributed to municipalities as provided in this paragraph.  
3 Each municipality shall receive the amount attributable to  
4 sales for which Illinois addresses for titling or registration  
5 purposes are given as being in such municipality. The  
6 remainder of the money paid into the Local Government Tax Fund  
7 from such sales shall be distributed to counties. Each county  
8 shall receive the amount attributable to sales for which  
9 Illinois addresses for titling or registration purposes are  
10 given as being located in the unincorporated area of such  
11 county.

12 A portion of the money paid into the Local Government Tax  
13 Fund from the 6.25% general rate (and, beginning July 1, 2000  
14 and through December 31, 2000, the 1.25% rate on motor fuel and  
15 gasohol, and during a sales tax holiday period, as defined in  
16 Section 3-6 of the Use Tax Act, beginning on August 6, 2010  
17 through August 15, 2010, and beginning again on August 5, 2022  
18 through August 14, 2022, the 1.25% rate on sales tax holiday  
19 items) on sales subject to taxation under the Retailers'  
20 Occupation Tax Act and the Service Occupation Tax Act, which  
21 occurred in municipalities, shall be distributed to each  
22 municipality, based upon the sales which occurred in that  
23 municipality. The remainder shall be distributed to each  
24 county, based upon the sales which occurred in the  
25 unincorporated area of such county.

26 For the purpose of determining allocation to the local

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

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

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

1 by the Department, subject to appropriation, to cover the  
2 costs of the Department in administering the Innovation  
3 Development and Economy Act.

4 After the monthly transfer to the STAR Bonds Revenue Fund,  
5 on or before the 25th day of each calendar month, the  
6 Department shall prepare and certify to the Comptroller the  
7 disbursement of stated sums of money to named municipalities  
8 and counties, the municipalities and counties to be those  
9 entitled to distribution of taxes or penalties paid to the  
10 Department during the second preceding calendar month. The  
11 amount to be paid to each municipality or county shall be the  
12 amount (not including credit memoranda) collected during the  
13 second preceding calendar month by the Department and paid  
14 into the Local Government Tax Fund, plus an amount the  
15 Department determines is necessary to offset any amounts which  
16 were erroneously paid to a different taxing body, and not  
17 including an amount equal to the amount of refunds made during  
18 the second preceding calendar month by the Department, and not  
19 including any amount which the Department determines is  
20 necessary to offset any amounts which are payable to a  
21 different taxing body but were erroneously paid to the  
22 municipality or county, and not including any amounts that are  
23 transferred to the STAR Bonds Revenue Fund. Within 10 days  
24 after receipt, by the Comptroller, of the disbursement  
25 certification to the municipalities and counties, provided for  
26 in this Section to be given to the Comptroller by the

1 Department, the Comptroller shall cause the orders to be drawn  
2 for the respective amounts in accordance with the directions  
3 contained in such certification.

4 When certifying the amount of monthly disbursement to a  
5 municipality or county under this Section, the Department  
6 shall increase or decrease that amount by an amount necessary  
7 to offset any misallocation of previous disbursements. The  
8 offset amount shall be the amount erroneously disbursed within  
9 the 6 months preceding the time a misallocation is discovered.

10 The provisions directing the distributions from the  
11 special fund in the State treasury provided for in this  
12 Section shall constitute an irrevocable and continuing  
13 appropriation of all amounts as provided herein. The State  
14 Treasurer and State Comptroller are hereby authorized to make  
15 distributions as provided in this Section.

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

24 As soon as possible after March 8, 2013 (the effective  
25 date of Public Act 98-3), the State Comptroller shall order  
26 and the State Treasurer shall transfer \$6,600,000 from the

1 Local Government Tax Fund to the Illinois State Medical  
2 Disciplinary Fund.

3 (Source: P.A. 102-700, Article 60, Section 60-10, eff.  
4 4-19-22; 102-700, Article 65, Section 65-15, eff. 4-19-22;  
5 103-154, eff. 6-30-23.)

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

7 Sec. 6z-20. County and Mass Transit District Fund. Of the  
8 money received from the 6.25% general rate (and, beginning  
9 July 1, 2000 and through December 31, 2000, the 1.25% rate on  
10 motor fuel and gasohol, and beginning on August 6, 2010  
11 through August 15, 2010, and during a sales tax holiday  
12 period, as defined in Section 3-6 of the Use Tax Act, beginning  
13 ~~again on August 5, 2022 through August 14, 2022,~~ the 1.25% rate  
14 on sales tax holiday items) on sales subject to taxation under  
15 the Retailers' Occupation Tax Act and Service Occupation Tax  
16 Act and paid into the County and Mass Transit District Fund,  
17 distribution to the Regional Transportation Authority tax  
18 fund, created pursuant to Section 4.03 of the Regional  
19 Transportation Authority Act, for deposit therein shall be  
20 made based upon the retail sales occurring in a county having  
21 more than 3,000,000 inhabitants. The remainder shall be  
22 distributed to each county having 3,000,000 or fewer  
23 inhabitants based upon the retail sales occurring in each such  
24 county.

25 For the purpose of determining allocation to the local

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

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

1 Transportation Authority tax fund.

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

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

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

1 Transportation Authority and to named counties, the counties  
2 to be those entitled to distribution, as hereinabove provided,  
3 of taxes or penalties paid to the Department during the second  
4 preceding calendar month. The amount to be paid to the  
5 Regional Transportation Authority and each county having  
6 3,000,000 or fewer inhabitants shall be the amount (not  
7 including credit memoranda) collected during the second  
8 preceding calendar month by the Department and paid into the  
9 County and Mass Transit District Fund, plus an amount the  
10 Department determines is necessary to offset any amounts which  
11 were erroneously paid to a different taxing body, and not  
12 including an amount equal to the amount of refunds made during  
13 the second preceding calendar month by the Department, and not  
14 including any amount which the Department determines is  
15 necessary to offset any amounts which were payable to a  
16 different taxing body but were erroneously paid to the  
17 Regional Transportation Authority or county, and not including  
18 any amounts that are transferred to the STAR Bonds Revenue  
19 Fund, less 1.5% of the amount to be paid to the Regional  
20 Transportation Authority, which shall be transferred into the  
21 Tax Compliance and Administration Fund. The Department, at the  
22 time of each monthly disbursement to the Regional  
23 Transportation Authority, shall prepare and certify to the  
24 State Comptroller the amount to be transferred into the Tax  
25 Compliance and Administration Fund under this Section. Within  
26 10 days after receipt, by the Comptroller, of the disbursement

1 certification to the Regional Transportation Authority,  
2 counties, and the Tax Compliance and Administration Fund  
3 provided for in this Section to be given to the Comptroller by  
4 the Department, the Comptroller shall cause the orders to be  
5 drawn for the respective amounts in accordance with the  
6 directions contained in such certification.

7 When certifying the amount of a monthly disbursement to  
8 the Regional Transportation Authority or to a county under  
9 this Section, the Department shall increase or decrease that  
10 amount by an amount necessary to offset any misallocation of  
11 previous disbursements. The offset amount shall be the amount  
12 erroneously disbursed within the 6 months preceding the time a  
13 misallocation is discovered.

14 The provisions directing the distributions from the  
15 special fund in the State Treasury provided for in this  
16 Section and from the Regional Transportation Authority tax  
17 fund created by Section 4.03 of the Regional Transportation  
18 Authority Act shall constitute an irrevocable and continuing  
19 appropriation of all amounts as provided herein. The State  
20 Treasurer and State Comptroller are hereby authorized to make  
21 distributions as provided in this Section.

22 In construing any development, redevelopment, annexation,  
23 preannexation or other lawful agreement in effect prior to  
24 September 1, 1990, which describes or refers to receipts from  
25 a county or municipal retailers' occupation tax, use tax or  
26 service occupation tax which now cannot be imposed, such

1 description or reference shall be deemed to include the  
2 replacement revenue for such abolished taxes, distributed from  
3 the County and Mass Transit District Fund or Local Government  
4 Distributive Fund, as the case may be.

5 (Source: P.A. 102-700, eff. 4-19-22.)

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

8 (35 ILCS 105/3-6)

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

10 (a) Any tangible personal property described in this  
11 subsection is a sales tax holiday item and qualifies for the  
12 1.25% reduced rate of tax during the sales tax holiday period  
13 ~~for the period set forth in Section 3-10 of this Act~~  
14 ~~(hereinafter referred to as the Sales Tax Holiday Period)~~. The  
15 reduced rate on these items shall be administered under the  
16 provisions of subsection (b) of this Section. The following  
17 items are subject to the reduced rate:

18 (1) Clothing items that each have a retail selling  
19 price of less than \$125.

20 "Clothing" means, unless otherwise specified in this  
21 Section, all human wearing apparel suitable for general  
22 use. "Clothing" does not include clothing accessories,  
23 protective equipment, or sport or recreational equipment.

24 "Clothing" includes, but is not limited to: household and

1 shop aprons; athletic supporters; bathing suits and caps;  
2 belts and suspenders; boots; coats and jackets; ear muffs;  
3 footlets; gloves and mittens for general use; hats and  
4 caps; hosiery; insoles for shoes; lab coats; neckties;  
5 overshoes; pantyhose; rainwear; rubber pants; sandals;  
6 scarves; shoes and shoelaces; slippers; sneakers; socks  
7 and stockings; steel-toed shoes; underwear; and school  
8 uniforms.

9 "Clothing accessories" means, but is not limited to:  
10 briefcases; cosmetics; hair notions, including, but not  
11 limited to barrettes, hair bows, and hair nets; handbags;  
12 handkerchiefs; jewelry; non-prescription sunglasses;  
13 umbrellas; wallets; watches; and wigs and hair pieces.

14 "Protective equipment" means, but is not limited to:  
15 breathing masks; clean room apparel and equipment; ear and  
16 hearing protectors; face shields; hard hats; helmets;  
17 paint or dust respirators; protective gloves; safety  
18 glasses and goggles; safety belts; tool belts; and  
19 welder's gloves and masks.

20 "Sport or recreational equipment" means, but is not  
21 limited to: ballet and tap shoes; cleated or spiked  
22 athletic shoes; gloves, including, but not limited to,  
23 baseball, bowling, boxing, hockey, and golf gloves;  
24 goggles; hand and elbow guards; life preservers and vests;  
25 mouth guards; roller and ice skates; shin guards; shoulder  
26 pads; ski boots; waders; and wetsuits and fins.

1           (2) School supplies. "School supplies" means, unless  
2 otherwise specified in this Section, items used by a  
3 student in a course of study. The purchase of school  
4 supplies for use by persons other than students for use in  
5 a course of study are not eligible for the reduced rate of  
6 tax. "School supplies" do not include school art supplies;  
7 school instructional materials; cameras; film and memory  
8 cards; videocameras, tapes, and videotapes; computers;  
9 cell phones; Personal Digital Assistants (PDAs); handheld  
10 electronic schedulers; and school computer supplies.

11           "School supplies" includes, but is not limited to:  
12 binders; book bags; calculators; cellophane tape;  
13 blackboard chalk; compasses; composition books; crayons;  
14 erasers; expandable, pocket, plastic, and manila folders;  
15 glue, paste, and paste sticks; highlighters; index cards;  
16 index card boxes; legal pads; lunch boxes; markers;  
17 notebooks; paper, including loose leaf ruled notebook  
18 paper, copy paper, graph paper, tracing paper, manila  
19 paper, colored paper, poster board, and construction  
20 paper; pencils; pencil leads; pens; ink and ink refills  
21 for pens; pencil boxes and other school supply boxes;  
22 pencil sharpeners; protractors; rulers; scissors; and  
23 writing tablets.

24           "School art supply" means an item commonly used by a  
25 student in a course of study for artwork and includes only  
26 the following items: clay and glazes; acrylic, tempera,

1 and oil paint; paintbrushes for artwork; sketch and  
2 drawing pads; and watercolors.

3 "School instructional material" means written material  
4 commonly used by a student in a course of study as a  
5 reference and to learn the subject being taught and  
6 includes only the following items: reference books;  
7 reference maps and globes; textbooks; and workbooks.

8 "School computer supply" means an item commonly used  
9 by a student in a course of study in which a computer is  
10 used and applies only to the following items: flashdrives  
11 and other computer data storage devices; data storage  
12 media, such as diskettes and compact disks; boxes and  
13 cases for disk storage; external ports or drives; computer  
14 cases; computer cables; computer printers; and printer  
15 cartridges, toner, and ink.

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

20 (1) Bundled sales. Items that qualify for the reduced  
21 rate of tax that are bundled together with items that do  
22 not qualify for the reduced rate of tax and that are sold  
23 for one itemized price will be subject to the reduced rate  
24 of tax only if the value of the items that qualify for the  
25 reduced rate of tax exceeds the value of the items that do  
26 not qualify for the reduced rate of tax.

1           (2) Coupons and discounts. An unreimbursed discount by  
2           the seller reduces the sales price of the property so that  
3           the discounted sales price determines whether the sales  
4           price is within a sales tax holiday price threshold. A  
5           coupon or other reduction in the sales price is treated as  
6           a discount if the seller is not reimbursed for the coupon  
7           or reduction amount by a third party.

8           (3) Splitting of items normally sold together.  
9           Articles that are normally sold as a single unit must  
10          continue to be sold in that manner. Such articles cannot  
11          be priced separately and sold as individual items in order  
12          to obtain the reduced rate of tax. For example, a pair of  
13          shoes cannot have each shoe sold separately so that the  
14          sales price of each shoe is within a sales tax holiday  
15          price threshold.

16          (4) Rain checks. A rain check is a procedure that  
17          allows a customer to purchase an item at a certain price at  
18          a later time because the particular item was out of stock.  
19          Eligible property that customers purchase during the Sales  
20          Tax Holiday Period with the use of a rain check will  
21          qualify for the reduced rate of tax regardless of when the  
22          rain check was issued. Issuance of a rain check during the  
23          Sales Tax Holiday Period will not qualify eligible  
24          property for the reduced rate of tax if the property is  
25          actually purchased after the Sales Tax Holiday Period.

26          (5) Exchanges. The procedure for an exchange in

1           regards to a sales tax holiday is as follows:

2                   (A) If a customer purchases an item of eligible  
3           property during the Sales Tax Holiday Period, but  
4           later exchanges the item for a similar eligible item,  
5           even if a different size, different color, or other  
6           feature, no additional tax is due even if the exchange  
7           is made after the Sales Tax Holiday Period.

8                   (B) If a customer purchases an item of eligible  
9           property during the Sales Tax Holiday Period, but  
10          after the Sales Tax Holiday Period has ended, the  
11          customer returns the item and receives credit on the  
12          purchase of a different item, the 6.25% general  
13          merchandise sales tax rate is due on the sale of the  
14          newly purchased item.

15                  (C) If a customer purchases an item of eligible  
16          property before the Sales Tax Holiday Period, but  
17          during the Sales Tax Holiday Period the customer  
18          returns the item and receives credit on the purchase  
19          of a different item of eligible property, the reduced  
20          rate of tax is due on the sale of the new item if the  
21          new item is purchased during the Sales Tax Holiday  
22          Period.

23                  (6) (Blank).

24                  (7) Order date and back orders. For the purpose of a  
25          sales tax holiday, eligible property qualifies for the  
26          reduced rate of tax if: (i) the item is both delivered to

1 and paid for by the customer during the Sales Tax Holiday  
2 Period or (ii) the customer orders and pays for the item  
3 and the seller accepts the order during the Sales Tax  
4 Holiday Period for immediate shipment, even if delivery is  
5 made after the Sales Tax Holiday Period. The seller  
6 accepts an order when the seller has taken action to fill  
7 the order for immediate shipment. Actions to fill an order  
8 include placement of an "in date" stamp on an order or  
9 assignment of an "order number" to an order within the  
10 Sales Tax Holiday Period. An order is for immediate  
11 shipment when the customer does not request delayed  
12 shipment. An order is for immediate shipment  
13 notwithstanding that the shipment may be delayed because  
14 of a backlog of orders or because stock is currently  
15 unavailable to, or on back order by, the seller.

16 (8) Returns. For a 60-day period immediately after the  
17 Sales Tax Holiday Period, if a customer returns an item  
18 that would qualify for the reduced rate of tax, credit for  
19 or refund of sales tax shall be given only at the reduced  
20 rate unless the customer provides a receipt or invoice  
21 that shows tax was paid at the 6.25% general merchandise  
22 rate, or the seller has sufficient documentation to show  
23 that tax was paid at the 6.25% general merchandise rate on  
24 the specific item. This 60-day period is set solely for  
25 the purpose of designating a time period during which the  
26 customer must provide documentation that shows that the

1 appropriate sales tax rate was paid on returned  
2 merchandise. The 60-day period is not intended to change a  
3 seller's policy on the time period during which the seller  
4 will accept returns.

5 (c) The Department may implement the provisions of this  
6 Section through the use of emergency rules, along with  
7 permanent rules filed concurrently with such emergency rules,  
8 in accordance with the provisions of Section 5-45 of the  
9 Illinois Administrative Procedure Act. For purposes of the  
10 Illinois Administrative Procedure Act, the adoption of rules  
11 to implement the provisions of this Section shall be deemed an  
12 emergency and necessary for the public interest, safety, and  
13 welfare.

14 (d) As used in this Section, "sales tax holiday period"  
15 means:

16 (1) from August 6, 2010 through August 15, 2010;  
17 (2) from August 5, 2022 through August 14, 2022; and  
18 (3) during the first 7 days in August in 2025 and each  
19 year thereafter.

20 (Source: P.A. 102-700, eff. 4-19-22.)

21 (35 ILCS 105/3-10)

22 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
23 Section, the tax imposed by this Act is at the rate of 6.25% of  
24 either the selling price or the fair market value, if any, of  
25 the tangible personal property, which, on and after January 1,

1 2025, includes leases of tangible personal property. In all  
2 cases where property functionally used or consumed is the same  
3 as the property that was purchased at retail, then the tax is  
4 imposed on the selling price of the property. In all cases  
5 where property functionally used or consumed is a by-product  
6 or waste product that has been refined, manufactured, or  
7 produced from property purchased at retail, then the tax is  
8 imposed on the lower of the fair market value, if any, of the  
9 specific property so used in this State or on the selling price  
10 of the property purchased at retail. For purposes of this  
11 Section "fair market value" means the price at which property  
12 would change hands between a willing buyer and a willing  
13 seller, neither being under any compulsion to buy or sell and  
14 both having reasonable knowledge of the relevant facts. The  
15 fair market value shall be established by Illinois sales by  
16 the taxpayer of the same property as that functionally used or  
17 consumed, or if there are no such sales by the taxpayer, then  
18 comparable sales or purchases of property of like kind and  
19 character in Illinois.

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

24 During the sales tax holiday period set forth in Section  
25 3-6, Beginning on August 6, 2010 through August 15, 2010, and  
26 beginning again on August 5, 2022 through August 14, 2022,

1 with respect to sales tax holiday items as defined in Section  
2 3-6 ~~of this Act~~, the tax is imposed at the rate of 1.25%.

3 With respect to gasohol, the tax imposed by this Act  
4 applies to (i) 70% of the proceeds of sales made on or after  
5 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
6 proceeds of sales made on or after July 1, 2003 and on or  
7 before July 1, 2017, (iii) 100% of the proceeds of sales made  
8 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
9 the proceeds of sales made on or after January 1, 2024 and on  
10 or before December 31, 2028, and (v) 100% of the proceeds of  
11 sales made after December 31, 2028. If, at any time, however,  
12 the tax under this Act on sales of gasohol is imposed at the  
13 rate of 1.25%, then the tax imposed by this Act applies to 100%  
14 of the proceeds of sales of gasohol made during that time.

15 With respect to mid-range ethanol blends, the tax imposed  
16 by this Act applies to (i) 80% of the proceeds of sales made on  
17 or after January 1, 2024 and on or before December 31, 2028 and  
18 (ii) 100% of the proceeds of sales made thereafter. If, at any  
19 time, however, the tax under this Act on sales of mid-range  
20 ethanol blends is imposed at the rate of 1.25%, then the tax  
21 imposed by this Act applies to 100% of the proceeds of sales of  
22 mid-range ethanol blends made during that time.

23 With respect to majority blended ethanol fuel, the tax  
24 imposed by this Act does not apply to the proceeds of sales  
25 made on or after July 1, 2003 and on or before December 31,  
26 2028 but applies to 100% of the proceeds of sales made

1 thereafter.

2 With respect to biodiesel blends with no less than 1% and  
3 no more than 10% biodiesel, the tax imposed by this Act applies  
4 to (i) 80% of the proceeds of sales made on or after July 1,  
5 2003 and on or before December 31, 2018 and (ii) 100% of the  
6 proceeds of sales made after December 31, 2018 and before  
7 January 1, 2024. On and after January 1, 2024 and on or before  
8 December 31, 2030, the taxation of biodiesel, renewable  
9 diesel, and biodiesel blends shall be as provided in Section  
10 3-5.1. If, at any time, however, the tax under this Act on  
11 sales of biodiesel blends with no less than 1% and no more than  
12 10% biodiesel is imposed at the rate of 1.25%, then the tax  
13 imposed by this Act applies to 100% of the proceeds of sales of  
14 biodiesel blends with no less than 1% and no more than 10%  
15 biodiesel made during that time.

16 With respect to biodiesel and biodiesel blends with more  
17 than 10% but no more than 99% biodiesel, the tax imposed by  
18 this Act does not apply to the proceeds of sales made on or  
19 after July 1, 2003 and on or before December 31, 2023. On and  
20 after January 1, 2024 and on or before December 31, 2030, the  
21 taxation of biodiesel, renewable diesel, and biodiesel blends  
22 shall be as provided in Section 3-5.1.

23 Until July 1, 2022 and from July 1, 2023 through December  
24 31, 2025, with respect to food for human consumption that is to  
25 be consumed off the premises where it is sold (other than  
26 alcoholic beverages, food consisting of or infused with adult

1 use cannabis, soft drinks, and food that has been prepared for  
2 immediate consumption), the tax is imposed at the rate of 1%.  
3 Beginning on July 1, 2022 and until July 1, 2023, with respect  
4 to food for human consumption that is to be consumed off the  
5 premises where it is sold (other than alcoholic beverages,  
6 food consisting of or infused with adult use cannabis, soft  
7 drinks, and food that has been prepared for immediate  
8 consumption), the tax is imposed at the rate of 0%. On and  
9 after January 1, 2026, food for human consumption that is to be  
10 consumed off the premises where it is sold (other than  
11 alcoholic beverages, food consisting of or infused with adult  
12 use cannabis, soft drinks, candy, and food that has been  
13 prepared for immediate consumption) is exempt from the tax  
14 imposed by this Act.

15 With respect to prescription and nonprescription  
16 medicines, drugs, medical appliances, products classified as  
17 Class III medical devices by the United States Food and Drug  
18 Administration that are used for cancer treatment pursuant to  
19 a prescription, as well as any accessories and components  
20 related to those devices, modifications to a motor vehicle for  
21 the purpose of rendering it usable by a person with a  
22 disability, and insulin, blood sugar testing materials,  
23 syringes, and needles used by human diabetics, the tax is  
24 imposed at the rate of 1%. For the purposes of this Section,  
25 until September 1, 2009: the term "soft drinks" means any  
26 complete, finished, ready-to-use, non-alcoholic drink, whether

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

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

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

1 regardless of the location of the vending machine.

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

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

24 (A) a "Drug Facts" panel; or

25 (B) a statement of the "active ingredient(s)" with a  
26 list of those ingredients contained in the compound,

1 substance or preparation.

2 Beginning on January 1, 2014 (the effective date of Public  
3 Act 98-122), "prescription and nonprescription medicines and  
4 drugs" includes medical cannabis purchased from a registered  
5 dispensing organization under the Compassionate Use of Medical  
6 Cannabis Program Act.

7 As used in this Section, "adult use cannabis" means  
8 cannabis subject to tax under the Cannabis Cultivation  
9 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
10 and does not include cannabis subject to tax under the  
11 Compassionate Use of Medical Cannabis Program Act.

12 If the property that is purchased at retail from a  
13 retailer is acquired outside Illinois and used outside  
14 Illinois before being brought to Illinois for use here and is  
15 taxable under this Act, the "selling price" on which the tax is  
16 computed shall be reduced by an amount that represents a  
17 reasonable allowance for depreciation for the period of prior  
18 out-of-state use. No depreciation is allowed in cases where  
19 the tax under this Act is imposed on lease receipts.

20 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
21 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section  
22 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.  
23 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-592,  
24 eff. 1-1-25; 103-781, eff. 8-5-24; revised 11-26-24.)

25 (35 ILCS 105/9)

1           Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
2 and trailers that are required to be registered with an agency  
3 of this State, each retailer required or authorized to collect  
4 the tax imposed by this Act shall pay to the Department the  
5 amount of such tax (except as otherwise provided) at the time  
6 when he is required to file his return for the period during  
7 which such tax was collected, less a discount of 2.1% prior to  
8 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
9 per calendar year, whichever is greater, which is allowed to  
10 reimburse the retailer for expenses incurred in collecting the  
11 tax, keeping records, preparing and filing returns, remitting  
12 the tax and supplying data to the Department on request.  
13 Beginning with returns due on or after January 1, 2025, the  
14 discount allowed in this Section, the Retailers' Occupation  
15 Tax Act, the Service Occupation Tax Act, and the Service Use  
16 Tax Act, including any local tax administered by the  
17 Department and reported on the same return, shall not exceed  
18 \$1,000 per month in the aggregate for returns other than  
19 transaction returns filed during the month. When determining  
20 the discount allowed under this Section, retailers shall  
21 include the amount of tax that would have been due at the 6.25%  
22 rate but for the 1.25% rate imposed on sales tax holiday items  
23 under Public Act 102-700 and during the sales tax period set  
24 forth in Section 3-6. The discount under this Section is not  
25 allowed for the 1.25% portion of taxes paid on aviation fuel  
26 that is subject to the revenue use requirements of 49 U.S.C.

1 47107(b) and 49 U.S.C. 47133. When determining the discount  
2 allowed under this Section, retailers shall include the amount  
3 of tax that would have been due at the 1% rate but for the 0%  
4 rate imposed under Public Act 102-700. In the case of  
5 retailers who report and pay the tax on a transaction by  
6 transaction basis, as provided in this Section, such discount  
7 shall be taken with each such tax remittance instead of when  
8 such retailer files his periodic return, but, beginning with  
9 returns due on or after January 1, 2025, the discount allowed  
10 under this Section and the Retailers' Occupation Tax Act,  
11 including any local tax administered by the Department and  
12 reported on the same transaction return, shall not exceed  
13 \$1,000 per month for all transaction returns filed during the  
14 month. The discount allowed under this Section is allowed only  
15 for returns that are filed in the manner required by this Act.  
16 The Department may disallow the discount for retailers whose  
17 certificate of registration is revoked at the time the return  
18 is filed, but only if the Department's decision to revoke the  
19 certificate of registration has become final. A retailer need  
20 not remit that part of any tax collected by him to the extent  
21 that he is required to remit and does remit the tax imposed by  
22 the Retailers' Occupation Tax Act, with respect to the sale of  
23 the same property.

24 Where such tangible personal property is sold under a  
25 conditional sales contract, or under any other form of sale  
26 wherein the payment of the principal sum, or a part thereof, is

1 extended beyond the close of the period for which the return is  
2 filed, the retailer, in collecting the tax (except as to motor  
3 vehicles, watercraft, aircraft, and trailers that are required  
4 to be registered with an agency of this State), may collect for  
5 each tax return period only the tax applicable to that part of  
6 the selling price actually received during such tax return  
7 period.

8 In the case of leases, except as otherwise provided in  
9 this Act, the lessor, in collecting the tax, 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  
16 be filed on forms prescribed by the Department and shall  
17 furnish such information as the Department may reasonably  
18 require. The return shall include the gross receipts on food  
19 for human consumption that is to be consumed off the premises  
20 where it is sold (other than alcoholic beverages, food  
21 consisting of or infused with adult use cannabis, soft drinks,  
22 and food that has been prepared for immediate consumption)  
23 which were received during the preceding calendar month,  
24 quarter, or year, as appropriate, and upon which tax would  
25 have been due but for the 0% rate imposed under Public Act  
26 102-700. The return shall also include the amount of tax that

1 would have been due on food for human consumption that is to be  
2 consumed off the premises where it is sold (other than  
3 alcoholic beverages, food consisting of or infused with adult  
4 use cannabis, soft drinks, and food that has been prepared for  
5 immediate consumption) but for the 0% rate imposed under  
6 Public Act 102-700.

7 On and after January 1, 2018, except for returns required  
8 to be filed prior to January 1, 2023 for motor vehicles,  
9 watercraft, aircraft, and trailers that are required to be  
10 registered with an agency of this State, with respect to  
11 retailers whose annual gross receipts average \$20,000 or more,  
12 all returns required to be filed pursuant to this Act shall be  
13 filed electronically. On and after January 1, 2023, with  
14 respect to retailers whose annual gross receipts average  
15 \$20,000 or more, all returns required to be filed pursuant to  
16 this Act, including, but not limited to, returns for motor  
17 vehicles, watercraft, aircraft, and trailers that are required  
18 to be registered with an agency of this State, shall be filed  
19 electronically. Retailers who demonstrate that they do not  
20 have access to the Internet or demonstrate hardship in filing  
21 electronically may petition the Department to waive the  
22 electronic filing requirement.

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  
26 calendar month following the end of such calendar quarter. The

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

4 1. The name of the seller;

5 2. The address of the principal place of business from  
6 which he engages in the business of selling tangible  
7 personal property at retail in this State;

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

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

15 5. The amount of tax due;

16 5-5. The signature of the taxpayer; and

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

19 Each retailer required or authorized to collect the tax  
20 imposed by this Act on aviation fuel sold at retail in this  
21 State during the preceding calendar month shall, instead of  
22 reporting and paying tax on aviation fuel as otherwise  
23 required by this Section, report and pay such tax on a separate  
24 aviation fuel tax return. The requirements related to the  
25 return shall be as otherwise provided in this Section.  
26 Notwithstanding any other provisions of this Act to the

1 contrary, retailers collecting tax on aviation fuel shall file  
2 all aviation fuel tax returns and shall make all aviation fuel  
3 tax payments by electronic means in the manner and form  
4 required by the Department. For purposes of this Section,  
5 "aviation fuel" means jet fuel and aviation gasoline.

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

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

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

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

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

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

26 The Department shall adopt such rules as are necessary to

1 effectuate a program of electronic funds transfer and the  
2 requirements of this Section.

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

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

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

1 the taxpayer's business has occurred which causes the taxpayer  
2 to anticipate that his average monthly tax liability for the  
3 reasonably foreseeable future will fall below the \$20,000  
4 threshold stated above, then such taxpayer may petition the  
5 Department for a change in such taxpayer's reporting status.  
6 The Department shall change such taxpayer's reporting status  
7 unless it finds that such change is seasonal in nature and not  
8 likely to be long term. Quarter monthly payment status shall  
9 be determined under this paragraph as if the rate reduction to  
10 1.25% in Public Act 102-700 on sales tax holiday items had not  
11 occurred. For quarter monthly payments due on or after July 1,  
12 2023 and through June 30, 2024, "25% of the taxpayer's  
13 liability for the same calendar month of the preceding year"  
14 shall be determined as if the rate reduction to 1.25% in Public  
15 Act 102-700 on sales tax holiday items had not occurred.  
16 Quarter monthly payment status shall be determined under this  
17 paragraph as if the rate reduction to 0% in Public Act 102-700  
18 on food for human consumption that is to be consumed off the  
19 premises where it is sold (other than alcoholic beverages,  
20 food consisting of or infused with adult use cannabis, soft  
21 drinks, and food that has been prepared for immediate  
22 consumption) had not occurred. For quarter monthly payments  
23 due under this paragraph on or after July 1, 2023 and through  
24 June 30, 2024, "25% of the taxpayer's liability for the same  
25 calendar month of the preceding year" shall be determined as  
26 if the rate reduction to 0% in Public Act 102-700 had not

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

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

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

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

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

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

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

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

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

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

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

1 manner and form as required by the Department.

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

23       The transaction reporting return in the case of watercraft  
24 and aircraft must show the name and address of the seller; the  
25 name and address of the purchaser; the amount of the selling  
26 price including the amount allowed by the retailer for

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

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

26 With each such transaction reporting return, the retailer

1 shall remit the proper amount of tax due (or shall submit  
2 satisfactory evidence that the sale is not taxable if that is  
3 the case), to the Department or its agents, whereupon the  
4 Department shall issue, in the purchaser's name, a tax receipt  
5 (or a certificate of exemption if the Department is satisfied  
6 that the particular sale is tax exempt) which such purchaser  
7 may submit to the agency with which, or State officer with  
8 whom, he must title or register the tangible personal property  
9 that is involved (if titling or registration is required) in  
10 support of such purchaser's application for an Illinois  
11 certificate or other evidence of title or registration to such  
12 tangible personal property.

13 No retailer's failure or refusal to remit tax under this  
14 Act precludes a user, who has paid the proper tax to the  
15 retailer, from obtaining his certificate of title or other  
16 evidence of title or registration (if titling or registration  
17 is required) upon satisfying the Department that such user has  
18 paid the proper tax (if tax is due) to the retailer. The  
19 Department shall adopt appropriate rules to carry out the  
20 mandate of this paragraph.

21 If the user who would otherwise pay tax to the retailer  
22 wants the transaction reporting return filed and the payment  
23 of tax or proof of exemption made to the Department before the  
24 retailer is willing to take these actions and such user has not  
25 paid the tax to the retailer, such user may certify to the fact  
26 of such delay by the retailer, and may (upon the Department

1 being satisfied of the truth of such certification) transmit  
2 the information required by the transaction reporting return  
3 and the remittance for tax or proof of exemption directly to  
4 the Department and obtain his tax receipt or exemption  
5 determination, in which event the transaction reporting return  
6 and tax remittance (if a tax payment was required) shall be  
7 credited by the Department to the proper retailer's account  
8 with the Department, but without the vendor's discount  
9 provided for in this Section being allowed. When the user pays  
10 the tax directly to the Department, he shall pay the tax in the  
11 same amount and in the same form in which it would be remitted  
12 if the tax had been remitted to the Department by the retailer.

13 On and after January 1, 2025, with respect to the lease of  
14 trailers, other than semitrailers as defined in Section 1-187  
15 of the Illinois Vehicle Code, that are required to be  
16 registered with an agency of this State and that are subject to  
17 the tax on lease receipts under this Act, notwithstanding any  
18 other provision of this Act to the contrary, for the purpose of  
19 reporting and paying tax under this Act on those lease  
20 receipts, lessors shall file returns in addition to and  
21 separate from the transaction reporting return. Lessors shall  
22 file those lease returns and make payment to the Department by  
23 electronic means on or before the 20th day of each month  
24 following the month, quarter, or year, as applicable, in which  
25 lease receipts were received. All lease receipts received by  
26 the lessor from the lease of those trailers during the same

1 reporting period shall be reported and tax shall be paid on a  
2 single return form to be prescribed by the Department.

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

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

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

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

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

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

24           Beginning January 1, 1990, each month the Department shall  
25 pay into the State and Local Sales Tax Reform Fund, a special  
26 fund in the State Treasury, 20% of the net revenue realized for

1 the preceding month from the 6.25% general rate on the selling  
2 price of tangible personal property, other than (i) tangible  
3 personal property which is purchased outside Illinois at  
4 retail from a retailer and which is titled or registered by an  
5 agency of this State's government and (ii) aviation fuel sold  
6 on or after December 1, 2019. This exception for aviation fuel  
7 only applies for so long as the revenue use requirements of 49  
8 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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

21 Beginning August 1, 2000, each month the Department shall  
22 pay into the State and Local Sales Tax Reform Fund 100% of the  
23 net revenue realized for the preceding month from the 1.25%  
24 rate on the selling price of motor fuel and gasohol. If, in any  
25 month, the tax on sales tax holiday items, as defined in  
26 Section 3-6, is imposed at the rate of 1.25%, then the

1 Department shall pay 100% of the net revenue realized for that  
2 month from the 1.25% rate on the selling price of sales tax  
3 holiday items into the State and Local Sales Tax Reform Fund.

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

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

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

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

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

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

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

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

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

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

21	Fiscal Year	Total Deposit
22	1993	\$0
23	1994	53,000,000
24	1995	58,000,000
25	1996	61,000,000
26	1997	64,000,000

1	1998	68,000,000
2	1999	71,000,000
3	2000	75,000,000
4	2001	80,000,000
5	2002	93,000,000
6	2003	99,000,000
7	2004	103,000,000
8	2005	108,000,000
9	2006	113,000,000
10	2007	119,000,000
11	2008	126,000,000
12	2009	132,000,000
13	2010	139,000,000
14	2011	146,000,000
15	2012	153,000,000
16	2013	161,000,000
17	2014	170,000,000
18	2015	179,000,000
19	2016	189,000,000
20	2017	199,000,000
21	2018	210,000,000
22	2019	221,000,000
23	2020	233,000,000
24	2021	300,000,000
25	2022	300,000,000
26	2023	300,000,000

1	2024	300,000,000
2	2025	300,000,000
3	2026	300,000,000
4	2027	375,000,000
5	2028	375,000,000
6	2029	375,000,000
7	2030	375,000,000
8	2031	375,000,000
9	2032	375,000,000
10	2033	375,000,000
11	2034	375,000,000
12	2035	375,000,000
13	2036	450,000,000

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

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

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

9 Subject to payment of amounts into the Capital Projects  
10 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
11 and the McCormick Place Expansion Project Fund pursuant to the  
12 preceding paragraphs or in any amendments thereto hereafter  
13 enacted, for aviation fuel sold on or after December 1, 2019,  
14 the Department shall each month deposit into the Aviation Fuel  
15 Sales Tax Refund Fund an amount estimated by the Department to  
16 be required for refunds of the 80% portion of the tax on  
17 aviation fuel under this Act. The Department shall only  
18 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
19 under this paragraph for so long as the revenue use  
20 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
21 binding on the State.

22 Subject to payment of amounts into the Build Illinois Fund  
23 and the McCormick Place Expansion Project Fund pursuant to the  
24 preceding paragraphs or in any amendments thereto hereafter  
25 enacted, beginning July 1, 1993 and ending on September 30,  
26 2013, the Department shall each month pay into the Illinois

1 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
2 the preceding month from the 6.25% general rate on the selling  
3 price of tangible personal property.

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

23 Subject to payments of amounts into the Build Illinois  
24 Fund, the McCormick Place Expansion Project Fund, the Illinois  
25 Tax Increment Fund, and the Tax Compliance and Administration  
26 Fund as provided in this Section, beginning on July 1, 2018 the

1 Department shall pay each month into the Downstate Public  
2 Transportation Fund the moneys required to be so paid under  
3 Section 2-3 of the Downstate Public Transportation Act.

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

25	Fiscal Year.....	Total Deposit
26	2024 .....	\$200,000,000

1	2025	.....	\$206,000,000
2	2026	.....	\$212,200,000
3	2027	.....	\$218,500,000
4	2028	.....	\$225,100,000
5	2029	.....	\$288,700,000
6	2030	.....	\$298,900,000
7	2031	.....	\$309,300,000
8	2032	.....	\$320,100,000
9	2033	.....	\$331,200,000
10	2034	.....	\$341,200,000
11	2035	.....	\$351,400,000
12	2036	.....	\$361,900,000
13	2037	.....	\$372,800,000
14	2038	.....	\$384,000,000
15	2039	.....	\$395,500,000
16	2040	.....	\$407,400,000
17	2041	.....	\$419,600,000
18	2042	.....	\$432,200,000
19	2043	.....	\$445,100,000

20           Beginning July 1, 2021 and until July 1, 2022, subject to  
21 the payment of amounts into the State and Local Sales Tax  
22 Reform Fund, the Build Illinois Fund, the McCormick Place  
23 Expansion Project Fund, the Illinois Tax Increment Fund, and  
24 the Tax Compliance and Administration Fund as provided in this  
25 Section, the Department shall pay each month into the Road  
26 Fund the amount estimated to represent 16% of the net revenue

1 realized from the taxes imposed on motor fuel and gasohol.  
2 Beginning July 1, 2022 and until July 1, 2023, subject to the  
3 payment of amounts into the State and Local Sales Tax Reform  
4 Fund, the Build Illinois Fund, the McCormick Place Expansion  
5 Project Fund, the Illinois Tax Increment Fund, and the Tax  
6 Compliance and Administration Fund as provided in this  
7 Section, the Department shall pay each month into the Road  
8 Fund the amount estimated to represent 32% of the net revenue  
9 realized from the taxes imposed on motor fuel and gasohol.  
10 Beginning July 1, 2023 and until July 1, 2024, subject to the  
11 payment of amounts into the State and Local Sales Tax Reform  
12 Fund, the Build Illinois Fund, the McCormick Place Expansion  
13 Project Fund, the Illinois Tax Increment Fund, and the Tax  
14 Compliance and Administration Fund as provided in this  
15 Section, the Department shall pay each month into the Road  
16 Fund the amount estimated to represent 48% of the net revenue  
17 realized from the taxes imposed on motor fuel and gasohol.  
18 Beginning July 1, 2024 and until July 1, 2025, subject to the  
19 payment of amounts into the State and Local Sales Tax Reform  
20 Fund, the Build Illinois Fund, the McCormick Place Expansion  
21 Project Fund, the Illinois Tax Increment Fund, and the Tax  
22 Compliance and Administration Fund as provided in this  
23 Section, the Department shall pay each month into the Road  
24 Fund the amount estimated to represent 64% of the net revenue  
25 realized from the taxes imposed on motor fuel and gasohol.  
26 Beginning on July 1, 2025, subject to the payment of amounts

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

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

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

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

1 overpayment of liability.

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

9 (Source: P.A. 102-700, Article 60, Section 60-15, eff.  
10 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;  
11 102-1019, eff. 1-1-23; 103-154, eff. 6-30-23; 103-363, eff.  
12 7-28-23; 103-592, Article 75, Section 75-5, eff. 1-1-25;  
13 103-592, Article 110, Section 110-5, eff. 6-7-24; 103-1055,  
14 eff. 12-20-24.)

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

17 (35 ILCS 120/2-8)

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

19 (a) Any tangible personal property described in this  
20 subsection is a sales tax holiday item and qualifies for the  
21 1.25% reduced rate of tax during the sales tax holiday period  
22 ~~for the period set forth in Section 2-10 of this Act~~  
23 ~~(hereinafter referred to as the Sales Tax Holiday Period)~~. The  
24 reduced rate on these items shall be administered under the

1 provisions of subsection (b) of this Section. The following  
2 items are subject to the reduced rate:

3 (1) Clothing items that each have a retail selling  
4 price of less than \$125.

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

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

23 "Protective equipment" means, but is not limited to:  
24 breathing masks; clean room apparel and equipment; ear and  
25 hearing protectors; face shields; hard hats; helmets;  
26 paint or dust respirators; protective gloves; safety

1 glasses and goggles; safety belts; tool belts; and  
2 welder's gloves and masks.

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

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

20 "School supplies" includes, but is not limited to:  
21 binders; book bags; calculators; cellophane tape;  
22 blackboard chalk; compasses; composition books; crayons;  
23 erasers; expandable, pocket, plastic, and manila folders;  
24 glue, paste, and paste sticks; highlighters; index cards;  
25 index card boxes; legal pads; lunch boxes; markers;  
26 notebooks; paper, including loose leaf ruled notebook

1 paper, copy paper, graph paper, tracing paper, manila  
2 paper, colored paper, poster board, and construction  
3 paper; pencils; pencil leads; pens; ink and ink refills  
4 for pens; pencil boxes and other school supply boxes;  
5 pencil sharpeners; protractors; rulers; scissors; and  
6 writing tablets.

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

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

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

25 (b) Administration. Notwithstanding any other provision of  
26 this Act, the reduced rate of tax under Section 3-10 of this

1 Act for clothing and school supplies shall be administered by  
2 the Department under the provisions of this subsection (b).

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

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

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

25 (4) Rain checks. A rain check is a procedure that  
26 allows a customer to purchase an item at a certain price at

1 a later time because the particular item was out of stock.  
2 Eligible property that customers purchase during the Sales  
3 Tax Holiday Period with the use of a rain check will  
4 qualify for the reduced rate of tax regardless of when the  
5 rain check was issued. Issuance of a rain check during the  
6 Sales Tax Holiday Period will not qualify eligible  
7 property for the reduced rate of tax if the property is  
8 actually purchased after the Sales Tax Holiday Period.

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

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

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

24 (C) If a customer purchases an item of eligible  
25 property before the Sales Tax Holiday Period, but  
26 during the Sales Tax Holiday Period the customer

1 returns the item and receives credit on the purchase  
2 of a different item of eligible property, the reduced  
3 rate of tax is due on the sale of the new item if the  
4 new item is purchased during the Sales Tax Holiday  
5 Period.

6 (6) (Blank).

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

25 (8) Returns. For a 60-day period immediately after the  
26 Sales Tax Holiday Period, if a customer returns an item

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

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

23 (d) As used in this Section, "sales tax holiday period"  
24 means:

25 (1) from August 6, 2010 through August 15, 2010;

26 (2) from August 5, 2022 through August 14, 2022; and

1           (3) during the first 7 days in August in 2025 and each  
2           year thereafter.

3           (Source: P.A. 102-700, eff. 4-19-22.)

4           (35 ILCS 120/2-10)

5           Sec. 2-10. Rate of tax. Unless otherwise provided in this  
6           Section, the tax imposed by this Act is at the rate of 6.25% of  
7           gross receipts from sales, which, on and after January 1,  
8           2025, includes leases, of tangible personal property made in  
9           the course of business.

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

14          During the sales tax holiday period set forth in Section  
15          2-8, Beginning on August 6, 2010 through August 15, 2010, and  
16          beginning again on August 5, 2022 through August 14, 2022,  
17          with respect to sales tax holiday items as defined in Section  
18          2-8 of this Act, the tax is imposed at the rate of 1.25%.

19          Within 14 days after July 1, 2000 (the effective date of  
20          Public Act 91-872), each retailer of motor fuel and gasohol  
21          shall cause the following notice to be posted in a prominently  
22          visible place on each retail dispensing device that is used to  
23          dispense motor fuel or gasohol in the State of Illinois: "As of  
24          July 1, 2000, the State of Illinois has eliminated the State's  
25          share of sales tax on motor fuel and gasohol through December

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

9 With respect to gasohol, as defined in the Use Tax Act, the  
10 tax imposed by this Act applies to (i) 70% of the proceeds of  
11 sales made on or after January 1, 1990, and before July 1,  
12 2003, (ii) 80% of the proceeds of sales made on or after July  
13 1, 2003 and on or before July 1, 2017, (iii) 100% of the  
14 proceeds of sales made after July 1, 2017 and prior to January  
15 1, 2024, (iv) 90% of the proceeds of sales made on or after  
16 January 1, 2024 and on or before December 31, 2028, and (v)  
17 100% of the proceeds of sales made after December 31, 2028. If,  
18 at any time, however, the tax under this Act on sales of  
19 gasohol, as defined in the Use Tax Act, is imposed at the rate  
20 of 1.25%, then the tax imposed by this Act applies to 100% of  
21 the proceeds of sales of gasohol made during that time.

22 With respect to mid-range ethanol blends, as defined in  
23 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
24 applies to (i) 80% of the proceeds of sales made on or after  
25 January 1, 2024 and on or before December 31, 2028 and (ii)  
26 100% of the proceeds of sales made after December 31, 2028. If,

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

5 With respect to majority blended ethanol fuel, as defined  
6 in the Use Tax Act, the tax imposed by this Act does not apply  
7 to the proceeds of sales made on or after July 1, 2003 and on  
8 or before December 31, 2028 but applies to 100% of the proceeds  
9 of sales made thereafter.

10 With respect to biodiesel blends, as defined in the Use  
11 Tax Act, with no less than 1% and no more than 10% biodiesel,  
12 the tax imposed by this Act applies to (i) 80% of the proceeds  
13 of sales made on or after July 1, 2003 and on or before  
14 December 31, 2018 and (ii) 100% of the proceeds of sales made  
15 after December 31, 2018 and before January 1, 2024. On and  
16 after January 1, 2024 and on or before December 31, 2030, the  
17 taxation of biodiesel, renewable diesel, and biodiesel blends  
18 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
19 at any time, however, the tax under this Act on sales of  
20 biodiesel blends, as defined in the Use Tax Act, with no less  
21 than 1% and no more than 10% biodiesel is imposed at the rate  
22 of 1.25%, then the tax imposed by this Act applies to 100% of  
23 the proceeds of sales of biodiesel blends with no less than 1%  
24 and no more than 10% biodiesel made during that time.

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

1 than 10% but no more than 99% biodiesel, the tax imposed by  
2 this Act does not apply to the proceeds of sales made on or  
3 after July 1, 2003 and on or before December 31, 2023. On and  
4 after January 1, 2024 and on or before December 31, 2030, the  
5 taxation of biodiesel, renewable diesel, and biodiesel blends  
6 shall be as provided in Section 3-5.1 of the Use Tax Act.

7       Until July 1, 2022 and from July 1, 2023 through December  
8 31, 2025, with respect to food for human consumption that is to  
9 be consumed off the premises where it is sold (other than  
10 alcoholic beverages, food consisting of or infused with adult  
11 use cannabis, soft drinks, and food that has been prepared for  
12 immediate consumption), the tax is imposed at the rate of 1%.  
13 Beginning July 1, 2022 and until July 1, 2023, with respect to  
14 food for human consumption that is to be consumed off the  
15 premises where it is sold (other than alcoholic beverages,  
16 food consisting of or infused with adult use cannabis, soft  
17 drinks, and food that has been prepared for immediate  
18 consumption), the tax is imposed at the rate of 0%. On and  
19 after January 1, 2026, food for human consumption that is to be  
20 consumed off the premises where it is sold (other than  
21 alcoholic beverages, food consisting of or infused with adult  
22 use cannabis, soft drinks, candy, and food that has been  
23 prepared for immediate consumption) is exempt from the tax  
24 imposed by this Act.

25       With respect to prescription and nonprescription  
26 medicines, drugs, medical appliances, products classified as

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

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

26 Until August 1, 2009, and notwithstanding any other

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

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

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

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

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

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

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

17           As used in this Section, "adult use cannabis" means  
18     cannabis subject to tax under the Cannabis Cultivation  
19     Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
20     and does not include cannabis subject to tax under the  
21     Compassionate Use of Medical Cannabis Program Act.

22     (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
23     Section 20-20, eff. 4-19-22; 102-700, Article 60, Section  
24     60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.  
25     4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-592,  
26     eff. 1-1-25; 103-781, eff. 8-5-24; revised 11-26-24.)

1 (35 ILCS 120/3)

2 Sec. 3. Except as provided in this Section, on or before  
3 the twentieth day of each calendar month, every person engaged  
4 in the business of selling, which, on and after January 1,  
5 2025, includes leasing, tangible personal property at retail  
6 in this State during the preceding calendar month shall file a  
7 return with the Department, stating:

8 1. The name of the seller;

9 2. His residence address and the address of his  
10 principal place of business and the address of the  
11 principal place of business (if that is a different  
12 address) from which he engages in the business of selling  
13 tangible personal property at retail in this State;

14 3. Total amount of receipts received by him during the  
15 preceding calendar month or quarter, as the case may be,  
16 from sales of tangible personal property, and from  
17 services furnished, by him during such preceding calendar  
18 month or quarter;

19 4. Total amount received by him during the preceding  
20 calendar month or quarter on charge and time sales of  
21 tangible personal property, and from services furnished,  
22 by him prior to the month or quarter for which the return  
23 is filed;

24 5. Deductions allowed by law;

25 6. Gross receipts which were received by him during

1 the preceding calendar month or quarter and upon the basis  
2 of which the tax is imposed, including gross receipts on  
3 food for human consumption that is to be consumed off the  
4 premises where it is sold (other than alcoholic beverages,  
5 food consisting of or infused with adult use cannabis,  
6 soft drinks, and food that has been prepared for immediate  
7 consumption) which were received during the preceding  
8 calendar month or quarter and upon which tax would have  
9 been due but for the 0% rate imposed under Public Act  
10 102-700;

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

13 8. The amount of tax due, including the amount of tax  
14 that would have been due on food for human consumption  
15 that is to be consumed off the premises where it is sold  
16 (other than alcoholic beverages, food consisting of or  
17 infused with adult use cannabis, soft drinks, and food  
18 that has been prepared for immediate consumption) but for  
19 the 0% rate imposed under Public Act 102-700;

20 9. The signature of the taxpayer; and

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

23 In the case of leases, except as otherwise provided in  
24 this Act, the lessor must remit for each tax return period only  
25 the tax applicable to that part of the selling price actually  
26 received during such tax return period.

1           On and after January 1, 2018, except for returns required  
2 to be filed prior to January 1, 2023 for motor vehicles,  
3 watercraft, aircraft, and trailers that are required to be  
4 registered with an agency of this State, with respect to  
5 retailers whose annual gross receipts average \$20,000 or more,  
6 all returns required to be filed pursuant to this Act shall be  
7 filed electronically. On and after January 1, 2023, with  
8 respect to retailers whose annual gross receipts average  
9 \$20,000 or more, all returns required to be filed pursuant to  
10 this Act, including, but not limited to, returns for motor  
11 vehicles, watercraft, aircraft, and trailers that are required  
12 to be registered with an agency of this State, shall be filed  
13 electronically. Retailers who demonstrate that they do not  
14 have access to the Internet or demonstrate hardship in filing  
15 electronically may petition the Department to waive the  
16 electronic filing requirement.

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

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

24           Prior to October 1, 2003 and on and after September 1,  
25 2004, a retailer may accept a Manufacturer's Purchase Credit  
26 certification from a purchaser in satisfaction of Use Tax as

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

19 Beginning on July 1, 2023 and through December 31, 2032, a  
20 retailer may accept a Sustainable Aviation Fuel Purchase  
21 Credit certification from an air common carrier-purchaser in  
22 satisfaction of Use Tax on aviation fuel as provided in  
23 Section 3-87 of the Use Tax Act if the purchaser provides the  
24 appropriate documentation as required by Section 3-87 of the  
25 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit  
26 certification accepted by a retailer in accordance with this

1 paragraph may be used by that retailer to satisfy Retailers'  
2 Occupation Tax liability (but not in satisfaction of penalty  
3 or interest) in the amount claimed in the certification, not  
4 to exceed 6.25% of the receipts subject to tax from a sale of  
5 aviation fuel. In addition, for a sale of aviation fuel to  
6 qualify to earn the Sustainable Aviation Fuel Purchase Credit,  
7 retailers must retain in their books and records a  
8 certification from the producer of the aviation fuel that the  
9 aviation fuel sold by the retailer and for which a sustainable  
10 aviation fuel purchase credit was earned meets the definition  
11 of sustainable aviation fuel under Section 3-87 of the Use Tax  
12 Act. The documentation must include detail sufficient for the  
13 Department to determine the number of gallons of sustainable  
14 aviation fuel sold.

15 The Department may require returns to be filed on a  
16 quarterly basis. If so required, a return for each calendar  
17 quarter shall be filed on or before the twentieth day of the  
18 calendar month following the end of such calendar quarter. The  
19 taxpayer shall also file a return with the Department for each  
20 of the first 2 months of each calendar quarter, on or before  
21 the twentieth day of the following calendar month, stating:

22 1. The name of the seller;

23 2. The address of the principal place of business from  
24 which he engages in the business of selling tangible  
25 personal property at retail in this State;

26 3. The total amount of taxable receipts received by

1 him during the preceding calendar month from sales of  
2 tangible personal property by him during such preceding  
3 calendar month, including receipts from charge and time  
4 sales, but less all deductions allowed by law;

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

7 5. The amount of tax due; and

8 6. Such other reasonable information as the Department  
9 may require.

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

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

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

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

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

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

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

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

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

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

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

1 with the permission of the Department.

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

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

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

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

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

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

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

17           Where the same person has more than one business  
18 registered with the Department under separate registrations  
19 under this Act, such person may not file each return that is  
20 due as a single return covering all such registered  
21 businesses, but shall file separate returns for each such  
22 registered business.

23           In addition, with respect to motor vehicles, watercraft,  
24 aircraft, and trailers that are required to be registered with  
25 an agency of this State, except as otherwise provided in this  
26 Section, every retailer selling this kind of tangible personal

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

21 In addition, with respect to motor vehicles, watercraft,  
22 aircraft, and trailers that are required to be registered with  
23 an agency of this State, every person who is engaged in the  
24 business of leasing or renting such items and who, in  
25 connection with such business, sells any such item to a  
26 retailer for the purpose of resale is, notwithstanding any

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

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

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

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

14 The transaction reporting return in the case of watercraft  
15 or aircraft must show the name and address of the seller; the  
16 name and address of the purchaser; the amount of the selling  
17 price including the amount allowed by the retailer for  
18 traded-in property, if any; the amount allowed by the retailer  
19 for the traded-in tangible personal property, if any, to the  
20 extent to which Section 1 of this Act allows an exemption for  
21 the value of traded-in property; the balance payable after  
22 deducting such trade-in allowance from the total selling  
23 price; the amount of tax due from the retailer with respect to  
24 such transaction; the amount of tax collected from the  
25 purchaser by the retailer on such transaction (or satisfactory  
26 evidence that such tax is not due in that particular instance,

1 if that is claimed to be the fact); the place and date of the  
2 sale, a sufficient identification of the property sold, and  
3 such other information as the Department may reasonably  
4 require.

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

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

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

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

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

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

4 On and after January 1, 2025, with respect to the lease of  
5 trailers, other than semitrailers as defined in Section 1-187  
6 of the Illinois Vehicle Code, that are required to be  
7 registered with an agency of this State and that are subject to  
8 the tax on lease receipts under this Act, notwithstanding any  
9 other provision of this Act to the contrary, for the purpose of  
10 reporting and paying tax under this Act on those lease  
11 receipts, lessors shall file returns in addition to and  
12 separate from the transaction reporting return. Lessors shall  
13 file those lease returns and make payment to the Department by  
14 electronic means on or before the 20th day of each month  
15 following the month, quarter, or year, as applicable, in which  
16 lease receipts were received. All lease receipts received by  
17 the lessor from the lease of those trailers during the same  
18 reporting period shall be reported and tax shall be paid on a  
19 single return form to be prescribed by the Department.

20 Refunds made by the seller during the preceding return  
21 period to purchasers, on account of tangible personal property  
22 returned to the seller, shall be allowed as a deduction under  
23 subdivision 5 of his monthly or quarterly return, as the case  
24 may be, in case the seller had theretofore included the  
25 receipts from the sale of such tangible personal property in a  
26 return filed by him and had paid the tax imposed by this Act

1 with respect to such receipts.

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

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

10 Except as provided in this Section, the retailer filing  
11 the return under this Section shall, at the time of filing such  
12 return, pay to the Department the amount of tax imposed by this  
13 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
14 on and after January 1, 1990, or \$5 per calendar year,  
15 whichever is greater, which is allowed to reimburse the  
16 retailer for the expenses incurred in keeping records,  
17 preparing and filing returns, remitting the tax and supplying  
18 data to the Department on request. On and after January 1,  
19 2021, a certified service provider, as defined in the Leveling  
20 the Playing Field for Illinois Retail Act, filing the return  
21 under this Section on behalf of a remote retailer shall, at the  
22 time of such return, pay to the Department the amount of tax  
23 imposed by this Act less a discount of 1.75%. A remote retailer  
24 using a certified service provider to file a return on its  
25 behalf, as provided in the Leveling the Playing Field for  
26 Illinois Retail Act, is not eligible for the discount.

1 Beginning with returns due on or after January 1, 2025, the  
2 vendor's discount allowed in this Section, the Service  
3 Occupation Tax Act, the Use Tax Act, and the Service Use Tax  
4 Act, including any local tax administered by the Department  
5 and reported on the same return, shall not exceed \$1,000 per  
6 month in the aggregate for returns other than transaction  
7 returns filed during the month. When determining the discount  
8 allowed under this Section, retailers shall include the amount  
9 of tax that would have been due at the 1% rate but for the 0%  
10 rate imposed under Public Act 102-700. When determining the  
11 discount allowed under this Section, retailers shall include  
12 the amount of tax that would have been due at the 6.25% rate  
13 but for the 1.25% rate imposed on sales tax holiday items under  
14 Public Act 102-700 and during the sales tax period set forth in  
15 Section 3-6. The discount under this Section is not allowed  
16 for the 1.25% portion of taxes paid on aviation fuel that is  
17 subject to the revenue use requirements of 49 U.S.C. 47107(b)  
18 and 49 U.S.C. 47133. Any prepayment made pursuant to Section  
19 2d of this Act shall be included in the amount on which such  
20 discount is computed. In the case of retailers who report and  
21 pay the tax on a transaction by transaction basis, as provided  
22 in this Section, such discount shall be taken with each such  
23 tax remittance instead of when such retailer files his  
24 periodic return, but, beginning with returns due on or after  
25 January 1, 2025, the vendor's discount allowed under this  
26 Section and the Use Tax Act, including any local tax

1 administered by the Department and reported on the same  
2 transaction return, shall not exceed \$1,000 per month for all  
3 transaction returns filed during the month. The discount  
4 allowed under this Section is allowed only for returns that  
5 are filed in the manner required by this Act. The Department  
6 may disallow the discount for retailers whose certificate of  
7 registration is revoked at the time the return is filed, but  
8 only if the Department's decision to revoke the certificate of  
9 registration has become final.

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

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

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

1 threshold stated above, then such taxpayer may petition the  
2 Department for a change in such taxpayer's reporting status.  
3 On and after October 1, 2000, once applicable, the requirement  
4 of the making of quarter monthly payments to the Department by  
5 taxpayers having an average monthly tax liability of \$20,000  
6 or more as determined in the manner provided above shall  
7 continue until such taxpayer's average monthly liability to  
8 the Department during the preceding 4 complete calendar  
9 quarters (excluding the month of highest liability and the  
10 month of lowest liability) is less than \$19,000 or until such  
11 taxpayer's average monthly liability to the Department as  
12 computed for each calendar quarter of the 4 preceding complete  
13 calendar quarter period is less than \$20,000. However, if a  
14 taxpayer can show the Department that a substantial change in  
15 the taxpayer's business has occurred which causes the taxpayer  
16 to anticipate that his average monthly tax liability for the  
17 reasonably foreseeable future will fall below the \$20,000  
18 threshold stated above, then such taxpayer may petition the  
19 Department for a change in such taxpayer's reporting status.  
20 The Department shall change such taxpayer's reporting status  
21 unless it finds that such change is seasonal in nature and not  
22 likely to be long term. Quarter monthly payment status shall  
23 be determined under this paragraph as if the rate reduction to  
24 0% in Public Act 102-700 on food for human consumption that is  
25 to be consumed off the premises where it is sold (other than  
26 alcoholic beverages, food consisting of or infused with adult

1 use cannabis, soft drinks, and food that has been prepared for  
2 immediate consumption) had not occurred. For quarter monthly  
3 payments due under this paragraph on or after July 1, 2023 and  
4 through June 30, 2024, "25% of the taxpayer's liability for  
5 the same calendar month of the preceding year" shall be  
6 determined as if the rate reduction to 0% in Public Act 102-700  
7 had not occurred. Quarter monthly payment status shall be  
8 determined under this paragraph as if the rate reduction to  
9 1.25% in Public Act 102-700 on sales tax holiday items had not  
10 occurred. For quarter monthly payments due on or after July 1,  
11 2023 and through June 30, 2024, "25% of the taxpayer's  
12 liability for the same calendar month of the preceding year"  
13 shall be determined as if the rate reduction to 1.25% in Public  
14 Act 102-700 on sales tax holiday items had not occurred. If any  
15 such quarter monthly payment is not paid at the time or in the  
16 amount required by this Section, then the taxpayer shall be  
17 liable for penalties and interest on the difference between  
18 the minimum amount due as a payment and the amount of such  
19 quarter monthly payment actually and timely paid, except  
20 insofar as the taxpayer has previously made payments for that  
21 month to the Department in excess of the minimum payments  
22 previously due as provided in this Section. The Department  
23 shall make reasonable rules and regulations to govern the  
24 quarter monthly payment amount and quarter monthly payment  
25 dates for taxpayers who file on other than a calendar monthly  
26 basis.

1           The provisions of this paragraph apply before October 1,  
2           2001. Without regard to whether a taxpayer is required to make  
3           quarter monthly payments as specified above, any taxpayer who  
4           is required by Section 2d of this Act to collect and remit  
5           prepaid taxes and has collected prepaid taxes which average in  
6           excess of \$25,000 per month during the preceding 2 complete  
7           calendar quarters, shall file a return with the Department as  
8           required by Section 2f and shall make payments to the  
9           Department on or before the 7th, 15th, 22nd and last day of the  
10          month during which such liability is incurred. If the month  
11          during which such tax liability is incurred began prior to  
12          September 1, 1985 (the effective date of Public Act 84-221),  
13          each payment shall be in an amount not less than 22.5% of the  
14          taxpayer's actual liability under Section 2d. If the month  
15          during which such tax liability is incurred begins on or after  
16          January 1, 1986, each payment shall be in an amount equal to  
17          22.5% of the taxpayer's actual liability for the month or  
18          27.5% of the taxpayer's liability for the same calendar month  
19          of the preceding calendar year. If the month during which such  
20          tax liability is incurred begins on or after January 1, 1987,  
21          each payment shall be in an amount equal to 22.5% of the  
22          taxpayer's actual liability for the month or 26.25% of the  
23          taxpayer's liability for the same calendar month of the  
24          preceding year. The amount of such quarter monthly payments  
25          shall be credited against the final tax liability of the  
26          taxpayer's return for that month filed under this Section or

1 Section 2f, as the case may be. Once applicable, the  
2 requirement of the making of quarter monthly payments to the  
3 Department pursuant to this paragraph shall continue until  
4 such taxpayer's average monthly prepaid tax collections during  
5 the preceding 2 complete calendar quarters is \$25,000 or less.  
6 If any such quarter monthly payment is not paid at the time or  
7 in the amount required, the taxpayer shall be liable for  
8 penalties and interest on such difference, except insofar as  
9 the taxpayer has previously made payments for that month in  
10 excess of the minimum payments previously due.

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

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

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

1 subsequently to be remitted to the Department under this Act,  
2 the Use Tax Act, the Service Occupation Tax Act, or the Service  
3 Use Tax Act, in accordance with reasonable rules and  
4 regulations prescribed by the Department. If the Department  
5 subsequently determined that all or any part of the credit  
6 taken was not actually due to the taxpayer, the taxpayer's  
7 vendor's discount shall be reduced, if necessary, to reflect  
8 the difference between the credit taken and that actually due,  
9 and that taxpayer shall be liable for penalties and interest  
10 on such difference.

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

16 Beginning January 1, 1990, each month the Department shall  
17 pay into the Local Government Tax Fund, a special fund in the  
18 State treasury which is hereby created, the net revenue  
19 realized for the preceding month from the 1% tax imposed under  
20 this Act.

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the County and Mass Transit District Fund, a special  
23 fund in the State treasury which is hereby created, 4% of the  
24 net revenue realized for the preceding month from the 6.25%  
25 general rate other than aviation fuel sold on or after  
26 December 1, 2019. This exception for aviation fuel only

1 applies for so long as the revenue use requirements of 49  
2 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

3 Beginning August 1, 2000, each month the Department shall  
4 pay into the County and Mass Transit District Fund 20% of the  
5 net revenue realized for the preceding month from the 1.25%  
6 rate on the selling price of motor fuel and gasohol. If, in any  
7 month, the tax on sales tax holiday items, as defined in  
8 Section 2-8, is imposed at the rate of 1.25%, then the  
9 Department shall pay 20% of the net revenue realized for that  
10 month from the 1.25% rate on the selling price of sales tax  
11 holiday items into the County and Mass Transit District Fund.

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

20 For aviation fuel sold on or after December 1, 2019, each  
21 month the Department shall pay into the State Aviation Program  
22 Fund 20% of the net revenue realized for the preceding month  
23 from the 6.25% general rate on the selling price of aviation  
24 fuel, less an amount estimated by the Department to be  
25 required for refunds of the 20% portion of the tax on aviation  
26 fuel under this Act, which amount shall be deposited into the

1 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
2 pay moneys into the State Aviation Program Fund and the  
3 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
4 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
5 U.S.C. 47133 are binding on the State.

6 Beginning August 1, 2000, each month the Department shall  
7 pay into the Local Government Tax Fund 80% of the net revenue  
8 realized for the preceding month from the 1.25% rate on the  
9 selling price of motor fuel and gasohol. If, in any month, the  
10 tax on sales tax holiday items, as defined in Section 2-8, is  
11 imposed at the rate of 1.25%, then the Department shall pay 80%  
12 of the net revenue realized for that month from the 1.25% rate  
13 on the selling price of sales tax holiday items into the Local  
14 Government Tax Fund.

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

22 Beginning July 1, 2011, each month the Department shall  
23 pay into the Clean Air Act Permit Fund 80% of the net revenue  
24 realized for the preceding month from the 6.25% general rate  
25 on the selling price of sorbents used in Illinois in the  
26 process of sorbent injection as used to comply with the

1 Environmental Protection Act or the federal Clean Air Act, but  
2 the total payment into the Clean Air Act Permit Fund under this  
3 Act and the Use Tax Act shall not exceed \$2,000,000 in any  
4 fiscal year.

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

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

25 Of the remainder of the moneys received by the Department  
26 pursuant to this Act, (a) 1.75% thereof shall be paid into the

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

19	Fiscal Year	Annual Specified Amount
20	1986	\$54,800,000
21	1987	\$76,650,000
22	1988	\$80,480,000
23	1989	\$88,510,000
24	1990	\$115,330,000
25	1991	\$145,470,000
26	1992	\$182,730,000

1                                   1993                                   \$206,520,000;

2       and means the Certified Annual Debt Service Requirement (as

3       defined in Section 13 of the Build Illinois Bond Act) or the

4       Tax Act Amount, whichever is greater, for fiscal year 1994 and

5       each fiscal year thereafter; and further provided, that if on

6       the last business day of any month the sum of (1) the Tax Act

7       Amount required to be deposited into the Build Illinois Bond

8       Account in the Build Illinois Fund during such month and (2)

9       the amount transferred to the Build Illinois Fund from the

10      State and Local Sales Tax Reform Fund shall have been less than

11      1/12 of the Annual Specified Amount, an amount equal to the

12      difference shall be immediately paid into the Build Illinois

13      Fund from other moneys received by the Department pursuant to

14      the Tax Acts; and, further provided, that in no event shall the

15      payments required under the preceding proviso result in

16      aggregate payments into the Build Illinois Fund pursuant to

17      this clause (b) for any fiscal year in excess of the greater of

18      (i) the Tax Act Amount or (ii) the Annual Specified Amount for

19      such fiscal year. The amounts payable into the Build Illinois

20      Fund under clause (b) of the first sentence in this paragraph

21      shall be payable only until such time as the aggregate amount

22      on deposit under each trust indenture securing Bonds issued

23      and outstanding pursuant to the Build Illinois Bond Act is

24      sufficient, taking into account any future investment income,

25      to fully provide, in accordance with such indenture, for the

26      defeasance of or the payment of the principal of, premium, if

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

25 Subject to payment of amounts into the Build Illinois Fund  
26 as provided in the preceding paragraph or in any amendment

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

11	Fiscal Year	Total Deposit
12	1993	\$0
13	1994	53,000,000
14	1995	58,000,000
15	1996	61,000,000
16	1997	64,000,000
17	1998	68,000,000
18	1999	71,000,000
19	2000	75,000,000
20	2001	80,000,000
21	2002	93,000,000
22	2003	99,000,000
23	2004	103,000,000
24	2005	108,000,000
25	2006	113,000,000
26	2007	119,000,000

1	2008	126,000,000
2	2009	132,000,000
3	2010	139,000,000
4	2011	146,000,000
5	2012	153,000,000
6	2013	161,000,000
7	2014	170,000,000
8	2015	179,000,000
9	2016	189,000,000
10	2017	199,000,000
11	2018	210,000,000
12	2019	221,000,000
13	2020	233,000,000
14	2021	300,000,000
15	2022	300,000,000
16	2023	300,000,000
17	2024	300,000,000
18	2025	300,000,000
19	2026	300,000,000
20	2027	375,000,000
21	2028	375,000,000
22	2029	375,000,000
23	2030	375,000,000
24	2031	375,000,000
25	2032	375,000,000
26	2033	375,000,000

1	2034	375,000,000
2	2035	375,000,000
3	2036	450,000,000

4 and

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2060.

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

25 Subject to payment of amounts into the Capital Projects  
26 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,

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

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

20 Subject to payment of amounts into the Build Illinois  
21 Fund, the McCormick Place Expansion Project Fund, and the  
22 Illinois Tax Increment Fund pursuant to the preceding  
23 paragraphs or in any amendments to this Section hereafter  
24 enacted, beginning on the first day of the first calendar  
25 month to occur on or after August 26, 2014 (the effective date  
26 of Public Act 98-1098), each month, from the collections made

1 under Section 9 of the Use Tax Act, Section 9 of the Service  
2 Use Tax Act, Section 9 of the Service Occupation Tax Act, and  
3 Section 3 of the Retailers' Occupation Tax Act, the Department  
4 shall pay into the Tax Compliance and Administration Fund, to  
5 be used, subject to appropriation, to fund additional auditors  
6 and compliance personnel at the Department of Revenue, an  
7 amount equal to 1/12 of 5% of 80% of the cash receipts  
8 collected during the preceding fiscal year by the Audit Bureau  
9 of the Department under the Use Tax Act, the Service Use Tax  
10 Act, the Service Occupation Tax Act, the Retailers' Occupation  
11 Tax Act, and associated local occupation and use taxes  
12 administered by the Department.

13 Subject to payments of amounts into the Build Illinois  
14 Fund, the McCormick Place Expansion Project Fund, the Illinois  
15 Tax Increment Fund, the Energy Infrastructure Fund, and the  
16 Tax Compliance and Administration Fund as provided in this  
17 Section, beginning on July 1, 2018 the Department shall pay  
18 each month into the Downstate Public Transportation Fund the  
19 moneys required to be so paid under Section 2-3 of the  
20 Downstate Public Transportation Act.

21 Subject to successful execution and delivery of a  
22 public-private agreement between the public agency and private  
23 entity and completion of the civic build, beginning on July 1,  
24 2023, of the remainder of the moneys received by the  
25 Department under the Use Tax Act, the Service Use Tax Act, the  
26 Service Occupation Tax Act, and this Act, the Department shall

1 deposit the following specified deposits in the aggregate from  
 2 collections under the Use Tax Act, the Service Use Tax Act, the  
 3 Service Occupation Tax Act, and the Retailers' Occupation Tax  
 4 Act, as required under Section 8.25g of the State Finance Act  
 5 for distribution consistent with the Public-Private  
 6 Partnership for Civic and Transit Infrastructure Project Act.  
 7 The moneys received by the Department pursuant to this Act and  
 8 required to be deposited into the Civic and Transit  
 9 Infrastructure Fund are subject to the pledge, claim and  
 10 charge set forth in Section 25-55 of the Public-Private  
 11 Partnership for Civic and Transit Infrastructure Project Act.  
 12 As used in this paragraph, "civic build", "private entity",  
 13 "public-private agreement", and "public agency" have the  
 14 meanings provided in Section 25-10 of the Public-Private  
 15 Partnership for Civic and Transit Infrastructure Project Act.

16	Fiscal Year.....	Total Deposit
17	2024 .....	\$200,000,000
18	2025 .....	\$206,000,000
19	2026 .....	\$212,200,000
20	2027 .....	\$218,500,000
21	2028 .....	\$225,100,000
22	2029 .....	\$288,700,000
23	2030 .....	\$298,900,000
24	2031 .....	\$309,300,000
25	2032 .....	\$320,100,000
26	2033 .....	\$331,200,000

1	2034	.....	\$341,200,000
2	2035	.....	\$351,400,000
3	2036	.....	\$361,900,000
4	2037	.....	\$372,800,000
5	2038	.....	\$384,000,000
6	2039	.....	\$395,500,000
7	2040	.....	\$407,400,000
8	2041	.....	\$419,600,000
9	2042	.....	\$432,200,000
10	2043	.....	\$445,100,000

11           Beginning July 1, 2021 and until July 1, 2022, subject to  
12 the payment of amounts into the County and Mass Transit  
13 District Fund, the Local Government Tax Fund, the Build  
14 Illinois Fund, the McCormick Place Expansion Project Fund, the  
15 Illinois Tax Increment Fund, and the Tax Compliance and  
16 Administration Fund as provided in this Section, the  
17 Department shall pay each month into the Road Fund the amount  
18 estimated to represent 16% of the net revenue realized from  
19 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
20 2022 and until July 1, 2023, subject to the payment of amounts  
21 into the County and Mass Transit District Fund, the Local  
22 Government Tax Fund, the Build Illinois Fund, the McCormick  
23 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
24 and the Tax Compliance and Administration Fund as provided in  
25 this Section, the Department shall pay each month into the  
26 Road Fund the amount estimated to represent 32% of the net

1 revenue realized from the taxes imposed on motor fuel and  
2 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
3 subject to the payment of amounts into the County and Mass  
4 Transit District Fund, the Local Government Tax Fund, the  
5 Build Illinois Fund, the McCormick Place Expansion Project  
6 Fund, the Illinois Tax Increment Fund, and the Tax Compliance  
7 and Administration Fund as provided in this Section, the  
8 Department shall pay each month into the Road Fund the amount  
9 estimated to represent 48% of the net revenue realized from  
10 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
11 2024 and until July 1, 2025, subject to the payment of amounts  
12 into the County and Mass Transit District Fund, the Local  
13 Government Tax Fund, the Build Illinois Fund, the McCormick  
14 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
15 and the Tax Compliance and Administration Fund as provided in  
16 this Section, the Department shall pay each month into the  
17 Road Fund the amount estimated to represent 64% of the net  
18 revenue realized from the taxes imposed on motor fuel and  
19 gasohol. Beginning on July 1, 2025, subject to the payment of  
20 amounts into the County and Mass Transit District Fund, the  
21 Local Government Tax Fund, the Build Illinois Fund, the  
22 McCormick Place Expansion Project Fund, the Illinois Tax  
23 Increment Fund, and the Tax Compliance and Administration Fund  
24 as provided in this Section, the Department shall pay each  
25 month into the Road Fund the amount estimated to represent 80%  
26 of the net revenue realized from the taxes imposed on motor

1 fuel and gasohol. As used in this paragraph "motor fuel" has  
2 the meaning given to that term in Section 1.1 of the Motor Fuel  
3 Tax Law, and "gasohol" has the meaning given to that term in  
4 Section 3-40 of the Use Tax Act.

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

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

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

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

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

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

21 The chief executive officer, proprietor, owner, or highest  
22 ranking manager shall sign the annual return to certify the  
23 accuracy of the information contained therein. Any person who  
24 willfully signs the annual return containing false or  
25 inaccurate information shall be guilty of perjury and punished  
26 accordingly. The annual return form prescribed by the

1 Department shall include a warning that the person signing the  
2 return may be liable for perjury.

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

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

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

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

25 Any person who promotes, organizes, or provides retail  
26 selling space for concessionaires or other types of sellers at

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

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

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

10 (Source: P.A. 102-634, eff. 8-27-21; 102-700, Article 60,  
11 Section 60-30, eff. 4-19-22; 102-700, Article 65, Section  
12 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.  
13 1-1-23; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-363,  
14 eff. 7-28-23; 103-592, Article 75, Section 75-20, eff. 1-1-25;  
15 103-592, Article 110, Section 110-20, eff. 6-7-24; 103-605,  
16 eff. 7-1-24; 103-1055, eff. 12-20-24.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.