



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3261

Introduced 2/18/2025, by Rep. Brad Halbrook

SYNOPSIS AS INTRODUCED:

| | |
|-------------------|----------------------------|
| 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 | |
| 30 ILCS 105/6z-18 | from Ch. 127, par. 142z-18 |
| 30 ILCS 105/6z-20 | from Ch. 127, par. 142z-20 |

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Creates a sales tax holiday period for school supplies from August 1, 2025 through August 31, 2025 and from August 1 through August 31 of each year thereafter. Amends the State Finance Act to make conforming changes.

LRB104 06530 HLH 16566 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 Use Tax Act is amended by changing Sections
5 3-6, 3-10, and 9 as follows:

6 (35 ILCS 105/3-6)

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

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

16 As used in this Section: ~~The following items are subject~~
17 ~~to the reduced rate:~~

18 "Sales tax holiday item" means, for the sales tax holiday
19 period occurring from August 6, 2010 through August 15, 2010
20 and for the sales tax holiday period occurring from August 5,
21 2022 through August 14, 2022:

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

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

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

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

25 "Sport or recreational equipment" means, but is not
26 limited to: ballet and tap shoes; cleated or spiked

1 athletic shoes; gloves, including, but not limited to,
2 baseball, bowling, boxing, hockey, and golf gloves;
3 goggles; hand and elbow guards; life preservers and vests;
4 mouth guards; roller and ice skates; shin guards; shoulder
5 pads; ski boots; waders; and wetsuits and fins.

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

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

1 pencil sharpeners; protractors; rulers; scissors; and
2 writing tablets.

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

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

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

21 "Sales tax holiday item" means, for sales tax holiday
22 periods occurring from August 1, 2025 through August 31, 2025
23 and from August 1 through August 31 of each year thereafter,
24 school supplies, as defined in paragraph (2) of the definition
25 of "sales tax holiday item" that applies for the sales tax
26 holiday periods occurring from August 6, 2010 through August

1 15, 2010 and from August 5, 2022 through August 14, 2022.

2 "Sales tax holiday period" means: (1) from August 6, 2010
3 through August 15, 2010; (2) from August 5, 2022 through
4 August 14, 2022; and (3) from August 1, 2025 through August 31,
5 2025 and from August 1 through August 31 of each year
6 thereafter.

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

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

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

25 (3) Splitting of items normally sold together.
26 Articles that are normally sold as a single unit must

1 continue to be sold in that manner. Such articles cannot
2 be priced separately and sold as individual items in order
3 to obtain the reduced rate of tax. For example, a pair of
4 shoes cannot have each shoe sold separately so that the
5 sales price of each shoe is within a sales tax holiday
6 price threshold.

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

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

21 (A) If a customer purchases an item of eligible
22 property during the sales tax holiday period ~~Sales Tax~~
23 ~~Holiday Period~~, but later exchanges the item for a
24 similar eligible item, even if a different size,
25 different color, or other feature, no additional tax
26 is due even if the exchange is made after the sales tax

1 holiday period ~~Sales Tax Holiday Period~~.

2 (B) If a customer purchases an item of eligible
3 property during the sales tax holiday period ~~Sales Tax~~
4 ~~Holiday Period~~, but after the sales tax holiday period
5 ~~Sales Tax Holiday Period~~ has ended, the customer
6 returns the item and receives credit on the purchase
7 of a different item, the 6.25% general merchandise
8 sales tax rate is due on the sale of the newly
9 purchased item.

10 (C) If a customer purchases an item of eligible
11 property before the sales tax holiday period ~~Sales Tax~~
12 ~~Holiday Period~~, but during the sales tax holiday
13 period ~~Sales Tax Holiday Period~~ the customer returns
14 the item and receives credit on the purchase of a
15 different item of eligible property, the reduced rate
16 of tax is due on the sale of the new item if the new
17 item is purchased during the sales tax holiday period
18 ~~Sales Tax Holiday Period~~.

19 (6) (Blank).

20 (7) Order date and back orders. For the purpose of a
21 sales tax holiday, eligible property qualifies for the
22 reduced rate of tax if: (i) the item is both delivered to
23 and paid for by the customer during the sales tax holiday
24 period ~~Sales Tax Holiday Period~~ or (ii) the customer
25 orders and pays for the item and the seller accepts the
26 order during the sales tax holiday period ~~Sales Tax~~

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

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

1 60-day period is not intended to change a seller's policy
2 on the time period during which the seller will accept
3 returns.

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

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

14 (35 ILCS 105/3-10)

15 Sec. 3-10. Rate of tax. Unless otherwise provided in this
16 Section, the tax imposed by this Act is at the rate of 6.25% of
17 either the selling price or the fair market value, if any, of
18 the tangible personal property, which, on and after January 1,
19 2025, includes leases of tangible personal property. In all
20 cases where property functionally used or consumed is the same
21 as the property that was purchased at retail, then the tax is
22 imposed on the selling price of the property. In all cases
23 where property functionally used or consumed is a by-product
24 or waste product that has been refined, manufactured, or
25 produced from property purchased at retail, then the tax is

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

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

17 During the sales tax holiday periods set forth in Section
18 3-6, Beginning on August 6, 2010 through August 15, 2010, and
19 beginning again on August 5, 2022 through August 14, 2022,
20 with respect to sales tax holiday items as defined in Section
21 3-6 ~~of this Act~~, the tax is imposed at the rate of 1.25%.

22 With respect to gasohol, the tax imposed by this Act
23 applies to (i) 70% of the proceeds of sales made on or after
24 January 1, 1990, and before July 1, 2003, (ii) 80% of the
25 proceeds of sales made on or after July 1, 2003 and on or
26 before July 1, 2017, (iii) 100% of the proceeds of sales made

1 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
2 the proceeds of sales made on or after January 1, 2024 and on
3 or before December 31, 2028, and (v) 100% of the proceeds of
4 sales made after December 31, 2028. If, at any time, however,
5 the tax under this Act on sales of gasohol is imposed at the
6 rate of 1.25%, then the tax imposed by this Act applies to 100%
7 of the proceeds of sales of gasohol made during that time.

8 With respect to mid-range ethanol blends, the tax imposed
9 by this Act applies to (i) 80% of the proceeds of sales made on
10 or after January 1, 2024 and on or before December 31, 2028 and
11 (ii) 100% of the proceeds of sales made thereafter. If, at any
12 time, however, the tax under this Act on sales of mid-range
13 ethanol blends is imposed at the rate of 1.25%, then the tax
14 imposed by this Act applies to 100% of the proceeds of sales of
15 mid-range ethanol blends made during that time.

16 With respect to majority blended ethanol fuel, the tax
17 imposed by this Act does not apply to the proceeds of sales
18 made on or after July 1, 2003 and on or before December 31,
19 2028 but applies to 100% of the proceeds of sales made
20 thereafter.

21 With respect to biodiesel blends with no less than 1% and
22 no more than 10% biodiesel, the tax imposed by this Act applies
23 to (i) 80% of the proceeds of sales made on or after July 1,
24 2003 and on or before December 31, 2018 and (ii) 100% of the
25 proceeds of sales made after December 31, 2018 and before
26 January 1, 2024. On and after January 1, 2024 and on or before

1 December 31, 2030, the taxation of biodiesel, renewable
2 diesel, and biodiesel blends shall be as provided in Section
3 3-5.1. If, at any time, however, the tax under this Act on
4 sales of biodiesel blends with no less than 1% and no more than
5 10% biodiesel is imposed at the rate of 1.25%, then the tax
6 imposed by this Act applies to 100% of the proceeds of sales of
7 biodiesel blends with no less than 1% and no more than 10%
8 biodiesel made during that time.

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

16 Until July 1, 2022 and from July 1, 2023 through December
17 31, 2025, with respect to food for human consumption that is to
18 be consumed off the premises where it is sold (other than
19 alcoholic beverages, food consisting of or infused with adult
20 use cannabis, soft drinks, and food that has been prepared for
21 immediate consumption), the tax is imposed at the rate of 1%.
22 Beginning on July 1, 2022 and until July 1, 2023, with respect
23 to food for human consumption that is to be consumed off the
24 premises where it is sold (other than alcoholic beverages,
25 food consisting of or infused with adult use cannabis, soft
26 drinks, and food that has been prepared for immediate

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

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

1 Grade A Pasteurized Milk and Milk Products Act, or drinks
2 containing 50% or more natural fruit or vegetable juice.

3 Notwithstanding any other provisions of this Act,
4 beginning September 1, 2009, "soft drinks" means non-alcoholic
5 beverages that contain natural or artificial sweeteners. "Soft
6 drinks" does not include beverages that contain milk or milk
7 products, soy, rice or similar milk substitutes, or greater
8 than 50% of vegetable or fruit juice by volume.

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

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "food for human consumption that
23 is to be consumed off the premises where it is sold" does not
24 include candy. For purposes of this Section, "candy" means a
25 preparation of sugar, honey, or other natural or artificial
26 sweeteners in combination with chocolate, fruits, nuts or

1 other ingredients or flavorings in the form of bars, drops, or
2 pieces. "Candy" does not include any preparation that contains
3 flour or requires refrigeration.

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

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

18 (B) a statement of the "active ingredient(s)" with a
19 list of those ingredients contained in the compound,
20 substance or preparation.

21 Beginning on January 1, 2014 (the effective date of Public
22 Act 98-122), "prescription and nonprescription medicines and
23 drugs" includes medical cannabis purchased from a registered
24 dispensing organization under the Compassionate Use of Medical
25 Cannabis Program Act.

26 As used in this Section, "adult use cannabis" means

1 cannabis subject to tax under the Cannabis Cultivation
2 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
3 and does not include cannabis subject to tax under the
4 Compassionate Use of Medical Cannabis Program Act.

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

13 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,
14 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section
15 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.
16 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-592,
17 eff. 1-1-25; 103-781, eff. 8-5-24; revised 11-26-24.)

18 (35 ILCS 105/9)

19 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
20 and trailers that are required to be registered with an agency
21 of this State, each retailer required or authorized to collect
22 the tax imposed by this Act shall pay to the Department the
23 amount of such tax (except as otherwise provided) at the time
24 when he is required to file his return for the period during
25 which such tax was collected, less a discount of 2.1% prior to

1 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
2 per calendar year, whichever is greater, which is allowed to
3 reimburse the retailer for expenses incurred in collecting the
4 tax, keeping records, preparing and filing returns, remitting
5 the tax and supplying data to the Department on request.
6 Beginning with returns due on or after January 1, 2025, the
7 discount allowed in this Section, the Retailers' Occupation
8 Tax Act, the Service Occupation Tax Act, and the Service Use
9 Tax Act, including any local tax administered by the
10 Department and reported on the same return, shall not exceed
11 \$1,000 per month in the aggregate for returns other than
12 transaction returns filed during the month. When determining
13 the discount allowed under this Section, retailers shall
14 include the amount of tax that would have been due at the 6.25%
15 rate but for the 1.25% rate imposed on sales tax holiday items
16 under Public Act 102-700 and this amendatory Act of the 104th
17 General Assembly. The discount under this Section is not
18 allowed for the 1.25% portion of taxes paid on aviation fuel
19 that is subject to the revenue use requirements of 49 U.S.C.
20 47107(b) and 49 U.S.C. 47133. When determining the discount
21 allowed under this Section, retailers shall include the amount
22 of tax that would have been due at the 1% rate but for the 0%
23 rate imposed under Public Act 102-700. In the case of
24 retailers who report and pay the tax on a transaction by
25 transaction basis, as provided in this Section, such discount
26 shall be taken with each such tax remittance instead of when

1 such retailer files his periodic return, but, beginning with
2 returns due on or after January 1, 2025, the discount allowed
3 under this Section and the Retailers' Occupation Tax Act,
4 including any local tax administered by the Department and
5 reported on the same transaction return, shall not exceed
6 \$1,000 per month for all transaction returns filed during the
7 month. The discount allowed under this Section is allowed only
8 for returns that are filed in the manner required by this Act.
9 The Department may disallow the discount for retailers whose
10 certificate of registration is revoked at the time the return
11 is filed, but only if the Department's decision to revoke the
12 certificate of registration has become final. A retailer need
13 not remit that part of any tax collected by him to the extent
14 that he is required to remit and does remit the tax imposed by
15 the Retailers' Occupation Tax Act, with respect to the sale of
16 the same property.

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

1 In the case of leases, except as otherwise provided in
2 this Act, the lessor, in collecting the tax, may collect for
3 each tax return period only the tax applicable to that part of
4 the selling price actually received during such tax return
5 period.

6 Except as provided in this Section, on or before the
7 twentieth day of each calendar month, such retailer shall file
8 a return for the preceding calendar month. Such return shall
9 be filed on forms prescribed by the Department and shall
10 furnish such information as the Department may reasonably
11 require. The return shall include the gross receipts on food
12 for human consumption that is to be consumed off the premises
13 where it is sold (other than alcoholic beverages, food
14 consisting of or infused with adult use cannabis, soft drinks,
15 and food that has been prepared for immediate consumption)
16 which were received during the preceding calendar month,
17 quarter, or year, as appropriate, and upon which tax would
18 have been due but for the 0% rate imposed under Public Act
19 102-700. The return shall also include the amount of tax that
20 would have been due on food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic beverages, food consisting of or infused with adult
23 use cannabis, soft drinks, and food that has been prepared for
24 immediate consumption) but for the 0% rate imposed under
25 Public Act 102-700.

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

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

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

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

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

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

8 5. The amount of tax due;

9 5-5. The signature of the taxpayer; and

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

12 Each retailer required or authorized to collect the tax
13 imposed by this Act on aviation fuel sold at retail in this
14 State during the preceding calendar month shall, instead of
15 reporting and paying tax on aviation fuel as otherwise
16 required by this Section, report and pay such tax on a separate
17 aviation fuel tax return. The requirements related to the
18 return shall be as otherwise provided in this Section.
19 Notwithstanding any other provisions of this Act to the
20 contrary, retailers collecting tax on aviation fuel shall file
21 all aviation fuel tax returns and shall make all aviation fuel
22 tax payments by electronic means in the manner and form
23 required by the Department. For purposes of this Section,
24 "aviation fuel" means jet fuel and aviation gasoline.

25 If a taxpayer fails to sign a return within 30 days after
26 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be
2 due on the return shall be deemed assessed.

3 Notwithstanding any other provision of this Act to the
4 contrary, retailers subject to tax on cannabis shall file all
5 cannabis tax returns and shall make all cannabis tax payments
6 by electronic means in the manner and form required by the
7 Department.

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

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

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

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

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

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

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

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

1 calendar month of the preceding year. If the month during
2 which such tax liability is incurred begins on or after
3 January 1, 1987, and prior to January 1, 1988, each payment
4 shall be in an amount equal to 22.5% of the taxpayer's actual
5 liability for the month or 26.25% of the taxpayer's liability
6 for the same calendar month of the preceding year. If the month
7 during which such tax liability is incurred begins on or after
8 January 1, 1988, and prior to January 1, 1989, or begins on or
9 after January 1, 1996, each payment shall be in an amount equal
10 to 22.5% of the taxpayer's actual liability for the month or
11 25% of the taxpayer's liability for the same calendar month of
12 the preceding year. If the month during which such tax
13 liability is incurred begins on or after January 1, 1989, and
14 prior to January 1, 1996, each payment shall be in an amount
15 equal to 22.5% of the taxpayer's actual liability for the
16 month or 25% of the taxpayer's liability for the same calendar
17 month of the preceding year or 100% of the taxpayer's actual
18 liability for the quarter monthly reporting period. The amount
19 of such quarter monthly payments shall be credited against the
20 final tax liability of the taxpayer's return for that month.
21 Before October 1, 2000, once applicable, the requirement of
22 the making of quarter monthly payments to the Department shall
23 continue until such taxpayer's average monthly liability to
24 the Department during the preceding 4 complete calendar
25 quarters (excluding the month of highest liability and the
26 month of lowest liability) is less than \$9,000, or until such

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

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

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

6 If any such payment provided for in this Section exceeds
7 the taxpayer's liabilities under this Act, the Retailers'
8 Occupation Tax Act, the Service Occupation Tax Act and the
9 Service Use Tax Act, as shown by an original monthly return,
10 the Department shall issue to the taxpayer a credit memorandum
11 no later than 30 days after the date of payment, which
12 memorandum may be submitted by the taxpayer to the Department
13 in payment of tax liability subsequently to be remitted by the
14 taxpayer to the Department or be assigned by the taxpayer to a
15 similar taxpayer under this Act, the Retailers' Occupation Tax
16 Act, the Service Occupation Tax Act or the Service Use Tax Act,
17 in accordance with reasonable rules and regulations to be
18 prescribed by the Department, except that if such excess
19 payment is shown on an original monthly return and is made
20 after December 31, 1986, no credit memorandum shall be issued,
21 unless requested by the taxpayer. If no such request is made,
22 the taxpayer may credit such excess payment against tax
23 liability subsequently to be remitted by the taxpayer to the
24 Department under this Act, the Retailers' Occupation Tax Act,
25 the Service Occupation Tax Act or the Service Use Tax Act, in
26 accordance with reasonable rules and regulations prescribed by

1 the Department. If the Department subsequently determines that
2 all or any part of the credit taken was not actually due to the
3 taxpayer, the taxpayer's vendor's discount shall be reduced,
4 if necessary, to reflect the difference between the credit
5 taken and that actually due, and the taxpayer shall be liable
6 for penalties and interest on such difference.

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

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

24 Such quarter annual and annual returns, as to form and
25 substance, shall be subject to the same requirements as
26 monthly returns.

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

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

1 return form. For purposes of this Section, "watercraft" means
2 a Class 2, Class 3, or Class 4 watercraft as defined in Section
3 3-2 of the Boat Registration and Safety Act, a personal
4 watercraft, or any boat equipped with an inboard motor.

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

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

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

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

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

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

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

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

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

14 If the user who would otherwise pay tax to the retailer
15 wants the transaction reporting return filed and the payment
16 of tax or proof of exemption made to the Department before the
17 retailer is willing to take these actions and such user has not
18 paid the tax to the retailer, such user may certify to the fact
19 of such delay by the retailer, and may (upon the Department
20 being satisfied of the truth of such certification) transmit
21 the information required by the transaction reporting return
22 and the remittance for tax or proof of exemption directly to
23 the Department and obtain his tax receipt or exemption
24 determination, in which event the transaction reporting return
25 and tax remittance (if a tax payment was required) shall be
26 credited by the Department to the proper retailer's account

1 with the Department, but without the vendor's discount
2 provided for in this Section being allowed. When the user pays
3 the tax directly to the Department, he shall pay the tax in the
4 same amount and in the same form in which it would be remitted
5 if the tax had been remitted to the Department by the retailer.

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

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

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

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

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

26 Where the retailer has more than one business registered

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

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

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

17 Beginning January 1, 1990, each month the Department shall
18 pay into the State and Local Sales Tax Reform Fund, a special
19 fund in the State Treasury, 20% of the net revenue realized for
20 the preceding month from the 6.25% general rate on the selling
21 price of tangible personal property, other than (i) tangible
22 personal property which is purchased outside Illinois at
23 retail from a retailer and which is titled or registered by an
24 agency of this State's government and (ii) aviation fuel sold
25 on or after December 1, 2019. This exception for aviation fuel
26 only applies for so long as the revenue use requirements of 49

1 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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

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

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

1 purchased outside Illinois at retail from a retailer and which
2 is titled or registered by an agency of this State's
3 government.

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

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

20 Beginning July 1, 2013, each month the Department shall
21 pay into the Underground Storage Tank Fund from the proceeds
22 collected under this Act, the Service Use Tax Act, the Service
23 Occupation Tax Act, and the Retailers' Occupation Tax Act an
24 amount equal to the average monthly deficit in the Underground
25 Storage Tank Fund during the prior year, as certified annually
26 by the Illinois Environmental Protection Agency, but the total

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

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

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

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

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

1 Act.

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

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

| | | |
|----|------|-------------|
| 1 | 2005 | 108,000,000 |
| 2 | 2006 | 113,000,000 |
| 3 | 2007 | 119,000,000 |
| 4 | 2008 | 126,000,000 |
| 5 | 2009 | 132,000,000 |
| 6 | 2010 | 139,000,000 |
| 7 | 2011 | 146,000,000 |
| 8 | 2012 | 153,000,000 |
| 9 | 2013 | 161,000,000 |
| 10 | 2014 | 170,000,000 |
| 11 | 2015 | 179,000,000 |
| 12 | 2016 | 189,000,000 |
| 13 | 2017 | 199,000,000 |
| 14 | 2018 | 210,000,000 |
| 15 | 2019 | 221,000,000 |
| 16 | 2020 | 233,000,000 |
| 17 | 2021 | 300,000,000 |
| 18 | 2022 | 300,000,000 |
| 19 | 2023 | 300,000,000 |
| 20 | 2024 | 300,000,000 |
| 21 | 2025 | 300,000,000 |
| 22 | 2026 | 300,000,000 |
| 23 | 2027 | 375,000,000 |
| 24 | 2028 | 375,000,000 |
| 25 | 2029 | 375,000,000 |
| 26 | 2030 | 375,000,000 |

| | | |
|---|------|-------------|
| 1 | 2031 | 375,000,000 |
| 2 | 2032 | 375,000,000 |
| 3 | 2033 | 375,000,000 |
| 4 | 2034 | 375,000,000 |
| 5 | 2035 | 375,000,000 |
| 6 | 2036 | 450,000,000 |

7 and

8 each fiscal year

9 thereafter that bonds

10 are outstanding under

11 Section 13.2 of the

12 Metropolitan Pier and

13 Exposition Authority Act,

14 but not after fiscal year 2060.

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

1 Deposit", has been deposited.

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

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

23 Subject to payment of amounts into the Build Illinois
24 Fund, the McCormick Place Expansion Project Fund, the Illinois
25 Tax Increment Fund, and the Energy Infrastructure Fund
26 pursuant to the preceding paragraphs or in any amendments to

1 this Section hereafter enacted, beginning on the first day of
2 the first calendar month to occur on or after August 26, 2014
3 (the effective date of Public Act 98-1098), each month, from
4 the collections made under Section 9 of the Use Tax Act,
5 Section 9 of the Service Use Tax Act, Section 9 of the Service
6 Occupation Tax Act, and Section 3 of the Retailers' Occupation
7 Tax Act, the Department shall pay into the Tax Compliance and
8 Administration Fund, to be used, subject to appropriation, to
9 fund additional auditors and compliance personnel at the
10 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
11 the cash receipts collected during the preceding fiscal year
12 by the Audit Bureau of the Department under the Use Tax Act,
13 the Service Use Tax Act, the Service Occupation Tax Act, the
14 Retailers' Occupation Tax Act, and associated local occupation
15 and use taxes administered by the Department.

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

23 Subject to successful execution and delivery of a
24 public-private agreement between the public agency and private
25 entity and completion of the civic build, beginning on July 1,
26 2023, of the remainder of the moneys received by the

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

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

| | | | |
|----|------|-------|---------------|
| 1 | 2032 | ..... | \$320,100,000 |
| 2 | 2033 | ..... | \$331,200,000 |
| 3 | 2034 | ..... | \$341,200,000 |
| 4 | 2035 | ..... | \$351,400,000 |
| 5 | 2036 | ..... | \$361,900,000 |
| 6 | 2037 | ..... | \$372,800,000 |
| 7 | 2038 | ..... | \$384,000,000 |
| 8 | 2039 | ..... | \$395,500,000 |
| 9 | 2040 | ..... | \$407,400,000 |
| 10 | 2041 | ..... | \$419,600,000 |
| 11 | 2042 | ..... | \$432,200,000 |
| 12 | 2043 | ..... | \$445,100,000 |

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

1 Fund the amount estimated to represent 32% of the net revenue
2 realized from the taxes imposed on motor fuel and gasohol.
3 Beginning July 1, 2023 and until July 1, 2024, subject to the
4 payment of amounts into the State and Local Sales Tax Reform
5 Fund, the Build Illinois Fund, the McCormick Place Expansion
6 Project Fund, the Illinois Tax Increment Fund, and the Tax
7 Compliance and Administration Fund as provided in this
8 Section, the Department shall pay each month into the Road
9 Fund the amount estimated to represent 48% of the net revenue
10 realized from the taxes imposed on motor fuel and gasohol.
11 Beginning July 1, 2024 and until July 1, 2025, subject to the
12 payment of amounts into the State and Local Sales Tax Reform
13 Fund, the Build Illinois Fund, the McCormick Place Expansion
14 Project Fund, the Illinois Tax Increment Fund, and the Tax
15 Compliance and Administration Fund as provided in this
16 Section, the Department shall pay each month into the Road
17 Fund the amount estimated to represent 64% of the net revenue
18 realized from the taxes imposed on motor fuel and gasohol.
19 Beginning on July 1, 2025, subject to the payment of amounts
20 into the State and Local Sales Tax Reform Fund, the Build
21 Illinois Fund, the McCormick Place Expansion Project Fund, the
22 Illinois Tax Increment Fund, and the Tax Compliance and
23 Administration Fund as provided in this Section, the
24 Department shall pay each month into the Road Fund the amount
25 estimated to represent 80% of the net revenue realized from
26 the taxes imposed on motor fuel and gasohol. As used in this

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

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

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

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

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

1 written objection to the Department to this arrangement.
2 (Source: P.A. 102-700, Article 60, Section 60-15, eff.
3 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;
4 102-1019, eff. 1-1-23; 103-154, eff. 6-30-23; 103-363, eff.
5 7-28-23; 103-592, Article 75, Section 75-5, eff. 1-1-25;
6 103-592, Article 110, Section 110-5, eff. 6-7-24; 103-1055,
7 eff. 12-20-24.)

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

10 (35 ILCS 120/2-8)

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

12 (a) Sales tax holiday items qualify ~~Any tangible personal~~
13 ~~property described in this subsection is a sales tax holiday~~
14 ~~item and qualifies~~ for the 1.25% reduced rate of tax during the
15 sales tax holiday period. ~~for the period set forth in Section~~
16 ~~2-10 of this Act (hereinafter referred to as the Sales Tax~~
17 ~~Holiday Period).~~ The reduced rate on these items shall be
18 administered under the provisions of subsection (b) of this
19 Section. ~~The following items are subject to the reduced rate:~~

20 As used in this Section:

21 "Sales tax holiday item" means, for the sales tax holiday
22 period occurring from August 6, 2010 through August 15, 2010
23 and for the sales tax holiday period occurring from August 5,
24 2022 through August 14, 2022:

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

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

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

21 "Protective equipment" means, but is not limited to:
22 breathing masks; clean room apparel and equipment; ear and
23 hearing protectors; face shields; hard hats; helmets;
24 paint or dust respirators; protective gloves; safety
25 glasses and goggles; safety belts; tool belts; and
26 welder's gloves and masks.

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

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

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

1 paper; pencils; pencil leads; pens; ink and ink refills
2 for pens; pencil boxes and other school supply boxes;
3 pencil sharpeners; protractors; rulers; scissors; and
4 writing tablets.

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

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

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

23 "Sales tax holiday item" means, for sales tax holiday
24 periods occurring from August 1, 2025 through August 31, 2025
25 and from August 1 through August 31 of each year thereafter,
26 school supplies, as defined in paragraph (2) of the definition

1 of "sales tax holiday item" that applies for the sales tax
2 holiday periods occurring from August 6, 2010 through August
3 15, 2010 and from August 5, 2022 through August 14, 2022.

4 "Sales tax holiday period" means: (1) from August 6, 2010
5 through August 15, 2010; (2) from August 5, 2022 through
6 August 14, 2022; and (3) from August 1, 2025 through August 31,
7 2025 and from August 1 through August 31 of each year
8 thereafter.

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

13 (1) Bundled sales. Items that qualify for the reduced
14 rate of tax that are bundled together with items that do
15 not qualify for the reduced rate of tax and that are sold
16 for one itemized price will be subject to the reduced rate
17 of tax only if the value of the items that qualify for the
18 reduced rate of tax exceeds the value of the items that do
19 not qualify for the reduced rate of tax.

20 (2) Coupons and discounts. An unreimbursed discount by
21 the seller reduces the sales price of the property so that
22 the discounted sales price determines whether the sales
23 price is within a sales tax holiday price threshold. A
24 coupon or other reduction in the sales price is treated as
25 a discount if the seller is not reimbursed for the coupon
26 or reduction amount by a third party.

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

9 (4) Rain checks. A rain check is a procedure that
10 allows a customer to purchase an item at a certain price at
11 a later time because the particular item was out of stock.
12 Eligible property that customers purchase during the sales
13 tax holiday period ~~Sales Tax Holiday Period~~ with the use
14 of a rain check will qualify for the reduced rate of tax
15 regardless of when the rain check was issued. Issuance of
16 a rain check during the sales tax holiday period ~~Sales Tax~~
17 ~~Holiday Period~~ will not qualify eligible property for the
18 reduced rate of tax if the property is actually purchased
19 after the sales tax holiday period ~~Sales Tax Holiday~~
20 ~~Period~~.

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

23 (A) If a customer purchases an item of eligible
24 property during the sales tax holiday period ~~Sales Tax~~
25 ~~Holiday Period~~, but later exchanges the item for a
26 similar eligible item, even if a different size,

1 different color, or other feature, no additional tax
2 is due even if the exchange is made after the sales tax
3 holiday period ~~Sales Tax Holiday Period~~.

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

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

21 (6) (Blank).

22 (7) Order date and back orders. For the purpose of a
23 sales tax holiday, eligible property qualifies for the
24 reduced rate of tax if: (i) the item is both delivered to
25 and paid for by the customer during the sales tax holiday
26 period ~~Sales Tax Holiday Period~~ or (ii) the customer

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

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

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

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

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

16 (35 ILCS 120/2-10)

17 Sec. 2-10. Rate of tax. Unless otherwise provided in this
18 Section, the tax imposed by this Act is at the rate of 6.25% of
19 gross receipts from sales, which, on and after January 1,
20 2025, includes leases, of tangible personal property made in
21 the course of business.

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

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

6 Within 14 days after July 1, 2000 (the effective date of
7 Public Act 91-872), each retailer of motor fuel and gasohol
8 shall cause the following notice to be posted in a prominently
9 visible place on each retail dispensing device that is used to
10 dispense motor fuel or gasohol in the State of Illinois: "As of
11 July 1, 2000, the State of Illinois has eliminated the State's
12 share of sales tax on motor fuel and gasohol through December
13 31, 2000. The price on this pump should reflect the
14 elimination of the tax." The notice shall be printed in bold
15 print on a sign that is no smaller than 4 inches by 8 inches.
16 The sign shall be clearly visible to customers. Any retailer
17 who fails to post or maintain a required sign through December
18 31, 2000 is guilty of a petty offense for which the fine shall
19 be \$500 per day per each retail premises where a violation
20 occurs.

21 With respect to gasohol, as defined in the Use Tax Act, the
22 tax imposed by this Act applies to (i) 70% of the proceeds of
23 sales made on or after January 1, 1990, and before July 1,
24 2003, (ii) 80% of the proceeds of sales made on or after July
25 1, 2003 and on or before July 1, 2017, (iii) 100% of the
26 proceeds of sales made after July 1, 2017 and prior to January

1 1, 2024, (iv) 90% of the proceeds of sales made on or after
2 January 1, 2024 and on or before December 31, 2028, and (v)
3 100% of the proceeds of sales made after December 31, 2028. If,
4 at any time, however, the tax under this Act on sales of
5 gasohol, as defined in the Use Tax Act, is imposed at the rate
6 of 1.25%, then the tax imposed by this Act applies to 100% of
7 the proceeds of sales of gasohol made during that time.

8 With respect to mid-range ethanol blends, as defined in
9 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
10 applies to (i) 80% of the proceeds of sales made on or after
11 January 1, 2024 and on or before December 31, 2028 and (ii)
12 100% of the proceeds of sales made after December 31, 2028. If,
13 at any time, however, the tax under this Act on sales of
14 mid-range ethanol blends is imposed at the rate of 1.25%, then
15 the tax imposed by this Act applies to 100% of the proceeds of
16 sales of mid-range ethanol blends made during that time.

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

22 With respect to biodiesel blends, as defined in the Use
23 Tax Act, with no less than 1% and no more than 10% biodiesel,
24 the tax imposed by this Act applies to (i) 80% of the proceeds
25 of sales made on or after July 1, 2003 and on or before
26 December 31, 2018 and (ii) 100% of the proceeds of sales made

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

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

19 Until July 1, 2022 and from July 1, 2023 through December
20 31, 2025, with respect to food for human consumption that is to
21 be consumed off the premises where it is sold (other than
22 alcoholic beverages, food consisting of or infused with adult
23 use cannabis, soft drinks, and food that has been prepared for
24 immediate consumption), the tax is imposed at the rate of 1%.
25 Beginning July 1, 2022 and until July 1, 2023, with respect to
26 food for human consumption that is to be consumed off the

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

11 With respect to prescription and nonprescription
12 medicines, drugs, medical appliances, products classified as
13 Class III medical devices by the United States Food and Drug
14 Administration that are used for cancer treatment pursuant to
15 a prescription, as well as any accessories and components
16 related to those devices, modifications to a motor vehicle for
17 the purpose of rendering it usable by a person with a
18 disability, and insulin, blood sugar testing materials,
19 syringes, and needles used by human diabetics, the tax is
20 imposed at the rate of 1%. For the purposes of this Section,
21 until September 1, 2009: the term "soft drinks" means any
22 complete, finished, ready-to-use, non-alcoholic drink, whether
23 carbonated or not, including, but not limited to, soda water,
24 cola, fruit juice, vegetable juice, carbonated water, and all
25 other preparations commonly known as soft drinks of whatever
26 kind or description that are contained in any closed or sealed

1 bottle, can, carton, or container, regardless of size; but
2 "soft drinks" does not include coffee, tea, non-carbonated
3 water, infant formula, milk or milk products as defined in the
4 Grade A Pasteurized Milk and Milk Products Act, or drinks
5 containing 50% or more natural fruit or vegetable juice.

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

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

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "food for human consumption that
26 is to be consumed off the premises where it is sold" does not

1 include candy. For purposes of this Section, "candy" means a
2 preparation of sugar, honey, or other natural or artificial
3 sweeteners in combination with chocolate, fruits, nuts or
4 other ingredients or flavorings in the form of bars, drops, or
5 pieces. "Candy" does not include any preparation that contains
6 flour or requires refrigeration.

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

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

21 (B) a statement of the "active ingredient(s)" with a
22 list of those ingredients contained in the compound,
23 substance or preparation.

24 Beginning on January 1, 2014 (the effective date of Public
25 Act 98-122), "prescription and nonprescription medicines and
26 drugs" includes medical cannabis purchased from a registered

1 dispensing organization under the Compassionate Use of Medical
2 Cannabis Program Act.

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

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

13 (35 ILCS 120/3)

14 Sec. 3. Except as provided in this Section, on or before
15 the twentieth day of each calendar month, every person engaged
16 in the business of selling, which, on and after January 1,
17 2025, includes leasing, tangible personal property at retail
18 in this State during the preceding calendar month shall file a
19 return with the Department, stating:

20 1. The name of the seller;

21 2. His residence address and the address of his
22 principal place of business and the address of the
23 principal place of business (if that is a different
24 address) from which he engages in the business of selling
25 tangible personal property at retail in this State;

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

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

11 5. Deductions allowed by law;

12 6. Gross receipts which were received by him during
13 the preceding calendar month or quarter and upon the basis
14 of which the tax is imposed, including gross receipts on
15 food for human consumption that is to be consumed off the
16 premises where it is sold (other than alcoholic beverages,
17 food consisting of or infused with adult use cannabis,
18 soft drinks, and food that has been prepared for immediate
19 consumption) which were received during the preceding
20 calendar month or quarter and upon which tax would have
21 been due but for the 0% rate imposed under Public Act
22 102-700;

23 7. The amount of credit provided in Section 2d of this
24 Act;

25 8. The amount of tax due, including the amount of tax
26 that would have been due on food for human consumption

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

6 9. The signature of the taxpayer; and

7 10. Such other reasonable information as the
8 Department may require.

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

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

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

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

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

10 Prior to October 1, 2003 and on and after September 1,
11 2004, a retailer may accept a Manufacturer's Purchase Credit
12 certification from a purchaser in satisfaction of Use Tax as
13 provided in Section 3-85 of the Use Tax Act if the purchaser
14 provides the appropriate documentation as required by Section
15 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
16 certification, accepted by a retailer prior to October 1, 2003
17 and on and after September 1, 2004 as provided in Section 3-85
18 of the Use Tax Act, may be used by that retailer to satisfy
19 Retailers' Occupation Tax liability in the amount claimed in
20 the certification, not to exceed 6.25% of the receipts subject
21 to tax from a qualifying purchase. A Manufacturer's Purchase
22 Credit reported on any original or amended return filed under
23 this Act after October 20, 2003 for reporting periods prior to
24 September 1, 2004 shall be disallowed. Manufacturer's Purchase
25 Credit reported on annual returns due on or after January 1,
26 2005 will be disallowed for periods prior to September 1,

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

5 Beginning on July 1, 2023 and through December 31, 2032, a
6 retailer may accept a Sustainable Aviation Fuel Purchase
7 Credit certification from an air common carrier-purchaser in
8 satisfaction of Use Tax on aviation fuel as provided in
9 Section 3-87 of the Use Tax Act if the purchaser provides the
10 appropriate documentation as required by Section 3-87 of the
11 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
12 certification accepted by a retailer in accordance with this
13 paragraph may be used by that retailer to satisfy Retailers'
14 Occupation Tax liability (but not in satisfaction of penalty
15 or interest) in the amount claimed in the certification, not
16 to exceed 6.25% of the receipts subject to tax from a sale of
17 aviation fuel. In addition, for a sale of aviation fuel to
18 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
19 retailers must retain in their books and records a
20 certification from the producer of the aviation fuel that the
21 aviation fuel sold by the retailer and for which a sustainable
22 aviation fuel purchase credit was earned meets the definition
23 of sustainable aviation fuel under Section 3-87 of the Use Tax
24 Act. The documentation must include detail sufficient for the
25 Department to determine the number of gallons of sustainable
26 aviation fuel sold.

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

8 1. The name of the seller;

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

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

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

19 5. The amount of tax due; and

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

22 Every person engaged in the business of selling aviation
23 fuel at retail in this State during the preceding calendar
24 month shall, instead of reporting and paying tax as otherwise
25 required by this Section, report and pay such tax on a separate
26 aviation fuel tax return. The requirements related to the

1 return shall be as otherwise provided in this Section.
2 Notwithstanding any other provisions of this Act to the
3 contrary, retailers selling aviation fuel shall file all
4 aviation fuel tax returns and shall make all aviation fuel tax
5 payments by electronic means in the manner and form required
6 by the Department. For purposes of this Section, "aviation
7 fuel" means jet fuel and aviation gasoline.

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

22 Beginning on October 1, 2003, every distributor, importing
23 distributor, and manufacturer of alcoholic liquor as defined
24 in the Liquor Control Act of 1934, shall file a statement with
25 the Department of Revenue, no later than the 10th day of the
26 month for the preceding month during which transactions

1 occurred, by electronic means, showing the total amount of
2 gross receipts from the sale of alcoholic liquor sold or
3 distributed during the preceding month to purchasers;
4 identifying the purchaser to whom it was sold or distributed;
5 the purchaser's tax registration number; and such other
6 information reasonably required by the Department. A
7 distributor, importing distributor, or manufacturer of
8 alcoholic liquor must personally deliver, mail, or provide by
9 electronic means to each retailer listed on the monthly
10 statement a report containing a cumulative total of that
11 distributor's, importing distributor's, or manufacturer's
12 total sales of alcoholic liquor to that retailer no later than
13 the 10th day of the month for the preceding month during which
14 the transaction occurred. The distributor, importing
15 distributor, or manufacturer shall notify the retailer as to
16 the method by which the distributor, importing distributor, or
17 manufacturer will provide the sales information. If the
18 retailer is unable to receive the sales information by
19 electronic means, the distributor, importing distributor, or
20 manufacturer shall furnish the sales information by personal
21 delivery or by mail. For purposes of this paragraph, the term
22 "electronic means" includes, but is not limited to, the use of
23 a secure Internet website, e-mail, or facsimile.

24 If a total amount of less than \$1 is payable, refundable or
25 creditable, such amount shall be disregarded if it is less
26 than 50 cents and shall be increased to \$1 if it is 50 cents or

1 more.

2 Notwithstanding any other provision of this Act to the
3 contrary, retailers subject to tax on cannabis shall file all
4 cannabis tax returns and shall make all cannabis tax payments
5 by electronic means in the manner and form required by the
6 Department.

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

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

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

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

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

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

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

1 less than 50 cents.

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

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

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

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

1 Department not more than one month after discontinuing such
2 business.

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

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

1 the Department on the same uniform invoice-transaction
2 reporting return form. For purposes of this Section,
3 "watercraft" means a Class 2, Class 3, or Class 4 watercraft as
4 defined in Section 3-2 of the Boat Registration and Safety
5 Act, a personal watercraft, or any boat equipped with an
6 inboard motor.

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

23 Any retailer who sells only motor vehicles, watercraft,
24 aircraft, or trailers that are required to be registered with
25 an agency of this State, so that all retailers' occupation tax
26 liability is required to be reported, and is reported, on such

1 transaction reporting returns and who is not otherwise
2 required to file monthly or quarterly returns, need not file
3 monthly or quarterly returns. However, those retailers shall
4 be required to file returns on an annual basis.

5 The transaction reporting return, in the case of motor
6 vehicles or trailers that are required to be registered with
7 an agency of this State, shall be the same document as the
8 Uniform Invoice referred to in Section 5-402 of the Illinois
9 Vehicle Code and must show the name and address of the seller;
10 the name and address of the purchaser; the amount of the
11 selling price including the amount allowed by the retailer for
12 traded-in property, if any; the amount allowed by the retailer
13 for the traded-in tangible personal property, if any, to the
14 extent to which Section 1 of this Act allows an exemption for
15 the value of traded-in property; the balance payable after
16 deducting such trade-in allowance from the total selling
17 price; the amount of tax due from the retailer with respect to
18 such transaction; the amount of tax collected from the
19 purchaser by the retailer on such transaction (or satisfactory
20 evidence that such tax is not due in that particular instance,
21 if that is claimed to be the fact); the place and date of the
22 sale; a sufficient identification of the property sold; such
23 other information as is required in Section 5-402 of the
24 Illinois Vehicle Code, and such other information as the
25 Department may reasonably require.

26 The transaction reporting return in the case of watercraft

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

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

1 will expedite the processing of applications for title or
2 registration.

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

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

24 If the user who would otherwise pay tax to the retailer
25 wants the transaction reporting return filed and the payment
26 of the tax or proof of exemption made to the Department before

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

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

1 following the month, quarter, or year, as applicable, in which
2 lease receipts were received. All lease receipts received by
3 the lessor from the lease of those trailers during the same
4 reporting period shall be reported and tax shall be paid on a
5 single return form to be prescribed by the Department.

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

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

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

22 Except as provided in this Section, the retailer filing
23 the return under this Section shall, at the time of filing such
24 return, pay to the Department the amount of tax imposed by this
25 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
26 on and after January 1, 1990, or \$5 per calendar year,

1 whichever is greater, which is allowed to reimburse the
2 retailer for the expenses incurred in keeping records,
3 preparing and filing returns, remitting the tax and supplying
4 data to the Department on request. On and after January 1,
5 2021, a certified service provider, as defined in the Leveling
6 the Playing Field for Illinois Retail Act, filing the return
7 under this Section on behalf of a remote retailer shall, at the
8 time of such return, pay to the Department the amount of tax
9 imposed by this Act less a discount of 1.75%. A remote retailer
10 using a certified service provider to file a return on its
11 behalf, as provided in the Leveling the Playing Field for
12 Illinois Retail Act, is not eligible for the discount.
13 Beginning with returns due on or after January 1, 2025, the
14 vendor's discount allowed in this Section, the Service
15 Occupation Tax Act, the Use Tax Act, and the Service Use Tax
16 Act, including any local tax administered by the Department
17 and reported on the same return, shall not exceed \$1,000 per
18 month in the aggregate for returns other than transaction
19 returns filed during the month. When determining the discount
20 allowed under this Section, retailers shall include the amount
21 of tax that would have been due at the 1% rate but for the 0%
22 rate imposed under Public Act 102-700. When determining the
23 discount allowed under this Section, retailers shall include
24 the amount of tax that would have been due at the 6.25% rate
25 but for the 1.25% rate imposed on sales tax holiday items under
26 Public Act 102-700 and this amendatory Act of the 104th

1 General Assembly. The discount under this Section is not
2 allowed for the 1.25% portion of taxes paid on aviation fuel
3 that is subject to the revenue use requirements of 49 U.S.C.
4 47107(b) and 49 U.S.C. 47133. Any prepayment made pursuant to
5 Section 2d of this Act shall be included in the amount on which
6 such discount is computed. In the case of retailers who report
7 and pay the tax on a transaction by transaction basis, as
8 provided in this Section, such discount shall be taken with
9 each such tax remittance instead of when such retailer files
10 his periodic return, but, beginning with returns due on or
11 after January 1, 2025, the vendor's discount allowed under
12 this Section and the Use Tax Act, including any local tax
13 administered by the Department and reported on the same
14 transaction return, shall not exceed \$1,000 per month for all
15 transaction returns filed during the month. The discount
16 allowed under this Section is allowed only for returns that
17 are filed in the manner required by this Act. The Department
18 may disallow the discount for retailers whose certificate of
19 registration is revoked at the time the return is filed, but
20 only if the Department's decision to revoke the certificate of
21 registration has become final.

22 Before October 1, 2000, if the taxpayer's average monthly
23 tax liability to the Department under this Act, the Use Tax
24 Act, the Service Occupation Tax Act, and the Service Use Tax
25 Act, excluding any liability for prepaid sales tax to be
26 remitted in accordance with Section 2d of this Act, was

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

1 prior to January 1, 1987, each payment shall be in an amount
2 equal to 22.5% of the taxpayer's actual liability for the
3 month or 27.5% of the taxpayer's liability for the same
4 calendar month of the preceding year. If the month during
5 which such tax liability is incurred begins on or after
6 January 1, 1987 and prior to January 1, 1988, each payment
7 shall be in an amount equal to 22.5% of the taxpayer's actual
8 liability for the month or 26.25% of the taxpayer's liability
9 for the same calendar month of the preceding year. If the month
10 during which such tax liability is incurred begins on or after
11 January 1, 1988, and prior to January 1, 1989, or begins on or
12 after January 1, 1996, each payment shall be in an amount equal
13 to 22.5% of the taxpayer's actual liability for the month or
14 25% of the taxpayer's liability for the same calendar month of
15 the preceding year. If the month during which such tax
16 liability is incurred begins on or after January 1, 1989, and
17 prior to January 1, 1996, each payment shall be in an amount
18 equal to 22.5% of the taxpayer's actual liability for the
19 month or 25% of the taxpayer's liability for the same calendar
20 month of the preceding year or 100% of the taxpayer's actual
21 liability for the quarter monthly reporting period. The amount
22 of such quarter monthly payments shall be credited against the
23 final tax liability of the taxpayer's return for that month.
24 Before October 1, 2000, once applicable, the requirement of
25 the making of quarter monthly payments to the Department by
26 taxpayers having an average monthly tax liability of \$10,000

1 or more as determined in the manner provided above shall
2 continue until such taxpayer's average monthly liability to
3 the Department during the preceding 4 complete calendar
4 quarters (excluding the month of highest liability and the
5 month of lowest liability) is less than \$9,000, or until such
6 taxpayer's average monthly liability to the Department as
7 computed for each calendar quarter of the 4 preceding complete
8 calendar quarter period is less than \$10,000. However, if a
9 taxpayer can show the Department that a substantial change in
10 the taxpayer's business has occurred which causes the taxpayer
11 to anticipate that his average monthly tax liability for the
12 reasonably foreseeable future will fall below the \$10,000
13 threshold stated above, then such taxpayer may petition the
14 Department for a change in such taxpayer's reporting status.
15 On and after October 1, 2000, once applicable, the requirement
16 of the making of quarter monthly payments to the Department by
17 taxpayers having an average monthly tax liability of \$20,000
18 or more as determined in the manner provided above 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 0% in Public Act 102-700 on food for human consumption that is
11 to be consumed off the premises where it is sold (other than
12 alcoholic beverages, food consisting of or infused with adult
13 use cannabis, soft drinks, and food that has been prepared for
14 immediate consumption) had not occurred. For quarter monthly
15 payments due under this paragraph on or after July 1, 2023 and
16 through June 30, 2024, "25% of the taxpayer's liability for
17 the same calendar month of the preceding year" shall be
18 determined as if the rate reduction to 0% in Public Act 102-700
19 had not occurred. Quarter monthly payment status shall be
20 determined under this paragraph as if the rate reduction to
21 1.25% in Public Act 102-700 on sales tax holiday items had not
22 occurred. For quarter monthly payments due on or after July 1,
23 2023 and through June 30, 2024, "25% of the taxpayer's
24 liability for the same calendar month of the preceding year"
25 shall be determined as if the rate reduction to 1.25% in Public
26 Act 102-700 on sales tax holiday items had not occurred. If any

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

1 during which such tax liability is incurred begins on or after
2 January 1, 1986, each payment shall be in an amount equal to
3 22.5% of the taxpayer's actual liability for the month or
4 27.5% of the taxpayer's liability for the same calendar month
5 of the preceding calendar year. If the month during which such
6 tax liability is incurred begins on or after January 1, 1987,
7 each payment shall be in an amount equal to 22.5% of the
8 taxpayer's actual liability for the month or 26.25% of the
9 taxpayer's liability for the same calendar month of the
10 preceding year. The amount of such quarter monthly payments
11 shall be credited against the final tax liability of the
12 taxpayer's return for that month filed under this Section or
13 Section 2f, as the case may be. Once applicable, the
14 requirement of the making of quarter monthly payments to the
15 Department pursuant to this paragraph shall continue until
16 such taxpayer's average monthly prepaid tax collections during
17 the preceding 2 complete calendar quarters is \$25,000 or less.
18 If any such quarter monthly payment is not paid at the time or
19 in the amount required, the taxpayer shall be liable for
20 penalties and interest on such difference, except insofar as
21 the taxpayer has previously made payments for that month in
22 excess of the minimum payments previously due.

23 The provisions of this paragraph apply on and after
24 October 1, 2001. Without regard to whether a taxpayer is
25 required to make quarter monthly payments as specified above,
26 any taxpayer who is required by Section 2d of this Act to

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

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

23 If a retailer of motor fuel is entitled to a credit under
24 Section 2d of this Act which exceeds the taxpayer's liability
25 to the Department under this Act for the month for which the
26 taxpayer is filing a return, the Department shall issue the

1 taxpayer a credit memorandum for the excess.

2 Beginning January 1, 1990, each month the Department shall
3 pay into the Local Government Tax Fund, a special fund in the
4 State treasury which is hereby created, the net revenue
5 realized for the preceding month from the 1% tax imposed under
6 this Act.

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

15 Beginning August 1, 2000, each month the Department shall
16 pay into the County and Mass Transit District Fund 20% of the
17 net revenue realized for the preceding month from the 1.25%
18 rate on the selling price of motor fuel and gasohol. If, in any
19 month, the tax on sales tax holiday items, as defined in
20 Section 2-8, is imposed at the rate of 1.25%, then the
21 Department shall pay 20% of the net revenue realized for that
22 month from the 1.25% rate on the selling price of sales tax
23 holiday items into the County and Mass Transit District Fund.

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

1 on the selling price of tangible personal property other than
2 aviation fuel sold on or after December 1, 2019. This
3 exception for aviation fuel only applies for so long as the
4 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
5 47133 are binding on the State.

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

18 Beginning August 1, 2000, each month the Department shall
19 pay into the Local Government Tax Fund 80% of the net revenue
20 realized for the preceding month from the 1.25% rate on the
21 selling price of motor fuel and gasohol. If, in any month, the
22 tax on sales tax holiday items, as defined in Section 2-8, is
23 imposed at the rate of 1.25%, then the Department shall pay 80%
24 of the net revenue realized for that month from the 1.25% rate
25 on the selling price of sales tax holiday items into the Local
26 Government Tax Fund.

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

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

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

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

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

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

1 be immediately paid into the Build Illinois Fund from other
2 moneys received by the Department pursuant to the Tax Acts;
3 the "Annual Specified Amount" means the amounts specified
4 below for fiscal years 1986 through 1993:

| 5 | Fiscal Year | Annual Specified Amount |
|----|-------------|-------------------------|
| 6 | 1986 | \$54,800,000 |
| 7 | 1987 | \$76,650,000 |
| 8 | 1988 | \$80,480,000 |
| 9 | 1989 | \$88,510,000 |
| 10 | 1990 | \$115,330,000 |
| 11 | 1991 | \$145,470,000 |
| 12 | 1992 | \$182,730,000 |
| 13 | 1993 | \$206,520,000; |

14 and means the Certified Annual Debt Service Requirement (as
15 defined in Section 13 of the Build Illinois Bond Act) or the
16 Tax Act Amount, whichever is greater, for fiscal year 1994 and
17 each fiscal year thereafter; and further provided, that if on
18 the last business day of any month the sum of (1) the Tax Act
19 Amount required to be deposited into the Build Illinois Bond
20 Account in the Build Illinois Fund during such month and (2)
21 the amount transferred to the Build Illinois Fund from the
22 State and Local Sales Tax Reform Fund shall have been less than
23 1/12 of the Annual Specified Amount, an amount equal to the
24 difference shall be immediately paid into the Build Illinois
25 Fund from other moneys received by the Department pursuant to
26 the Tax Acts; and, further provided, that in no event shall the

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

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

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

| 23 | Fiscal Year | Total Deposit |
|----|-------------|---------------|
| 24 | 1993 | \$0 |
| 25 | 1994 | 53,000,000 |
| 26 | 1995 | 58,000,000 |

| | | |
|----|------|-------------|
| 1 | 1996 | 61,000,000 |
| 2 | 1997 | 64,000,000 |
| 3 | 1998 | 68,000,000 |
| 4 | 1999 | 71,000,000 |
| 5 | 2000 | 75,000,000 |
| 6 | 2001 | 80,000,000 |
| 7 | 2002 | 93,000,000 |
| 8 | 2003 | 99,000,000 |
| 9 | 2004 | 103,000,000 |
| 10 | 2005 | 108,000,000 |
| 11 | 2006 | 113,000,000 |
| 12 | 2007 | 119,000,000 |
| 13 | 2008 | 126,000,000 |
| 14 | 2009 | 132,000,000 |
| 15 | 2010 | 139,000,000 |
| 16 | 2011 | 146,000,000 |
| 17 | 2012 | 153,000,000 |
| 18 | 2013 | 161,000,000 |
| 19 | 2014 | 170,000,000 |
| 20 | 2015 | 179,000,000 |
| 21 | 2016 | 189,000,000 |
| 22 | 2017 | 199,000,000 |
| 23 | 2018 | 210,000,000 |
| 24 | 2019 | 221,000,000 |
| 25 | 2020 | 233,000,000 |
| 26 | 2021 | 300,000,000 |

| | | |
|----|------|-------------|
| 1 | 2022 | 300,000,000 |
| 2 | 2023 | 300,000,000 |
| 3 | 2024 | 300,000,000 |
| 4 | 2025 | 300,000,000 |
| 5 | 2026 | 300,000,000 |
| 6 | 2027 | 375,000,000 |
| 7 | 2028 | 375,000,000 |
| 8 | 2029 | 375,000,000 |
| 9 | 2030 | 375,000,000 |
| 10 | 2031 | 375,000,000 |
| 11 | 2032 | 375,000,000 |
| 12 | 2033 | 375,000,000 |
| 13 | 2034 | 375,000,000 |
| 14 | 2035 | 375,000,000 |
| 15 | 2036 | 450,000,000 |

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

24 Beginning July 20, 1993 and in each month of each fiscal
25 year thereafter, one-eighth of the amount requested in the
26 certificate of the Chairman of the Metropolitan Pier and

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

11 Subject to payment of amounts into the Capital Projects
12 Fund, the Clean Air Act Permit Fund, 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, for aviation fuel sold on or after December 1, 2019,
16 the Department shall each month deposit into the Aviation Fuel
17 Sales Tax Refund Fund an amount estimated by the Department to
18 be required for refunds of the 80% portion of the tax on
19 aviation fuel under this Act. The Department shall only
20 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
21 under this paragraph for so long as the revenue use
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
23 binding on the State.

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

1 enacted, beginning July 1, 1993 and ending on September 30,
2 2013, the Department shall each month pay into the Illinois
3 Tax Increment Fund 0.27% of 80% of the net revenue realized for
4 the preceding month from the 6.25% general rate on the selling
5 price of tangible personal property.

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

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

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

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

1 Partnership for Civic and Transit Infrastructure Project Act.

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

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

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

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

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

23 The Department may, upon separate written notice to a
24 taxpayer, require the taxpayer to prepare and file with the
25 Department on a form prescribed by the Department within not
26 less than 60 days after receipt of the notice an annual

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

20 If the annual information return required by this Section
21 is not filed when and as required, the taxpayer shall be liable
22 as follows:

23 (i) Until January 1, 1994, the taxpayer shall be
24 liable for a penalty equal to $1/6$ of 1% of the tax due from
25 such taxpayer under this Act during the period to be
26 covered by the annual return for each month or fraction of

1 a month until such return is filed as required, the
2 penalty to be assessed and collected in the same manner as
3 any other penalty provided for in this Act.

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

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

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

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

26 Net revenue realized for a month shall be the revenue

1 collected by the State pursuant to this Act, less the amount
2 paid out during that month as refunds to taxpayers for
3 overpayment of liability.

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

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

1 fine not to exceed \$250.

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

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

1 103-592, Article 110, Section 110-20, eff. 6-7-24; 103-605,
2 eff. 7-1-24; 103-1055, eff. 12-20-24.)

3 Section 15. The State Finance Act is amended by changing
4 Sections 6z-18 and 6z-20 as follows:

5 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

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

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

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

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

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

23 For the purpose of determining allocation to the local
24 government unit, a retail sale by a producer of coal or other
25 mineral mined in Illinois is a sale at retail at the place
26 where the coal or other mineral mined in Illinois is extracted

1 from the earth. This paragraph does not apply to coal or other
2 mineral when it is delivered or shipped by the seller to the
3 purchaser at a point outside Illinois so that the sale is
4 exempt under the United States Constitution as a sale in
5 interstate or foreign commerce.

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

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

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

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

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

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

21 As soon as possible after March 8, 2013 (the effective
22 date of Public Act 98-3), the State Comptroller shall order
23 and the State Treasurer shall transfer \$6,600,000 from the
24 Local Government Tax Fund to the Illinois State Medical
25 Disciplinary Fund.

26 (Source: P.A. 102-700, Article 60, Section 60-10, eff.

1 4-19-22; 102-700, Article 65, Section 65-15, eff. 4-19-22;
2 103-154, eff. 6-30-23.)

3 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

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

21 For the purpose of determining allocation to the local
22 government unit, a retail sale by a producer of coal or other
23 mineral mined in Illinois is a sale at retail at the place
24 where the coal or other mineral mined in Illinois is extracted
25 from the earth. This paragraph does not apply to coal or other

1 mineral when it is delivered or shipped by the seller to the
2 purchaser at a point outside Illinois so that the sale is
3 exempt under the United States Constitution as a sale in
4 interstate or foreign commerce.

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

24 Whenever the Department determines that a refund of money
25 paid into the County and Mass Transit District Fund should be
26 made to a claimant instead of issuing a credit memorandum, the

1 Department shall notify the State Comptroller, who shall cause
2 the order to be drawn for the amount specified, and to the
3 person named, in such notification from the Department. Such
4 refund shall be paid by the State Treasurer out of the County
5 and Mass Transit District Fund.

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

19 After the monthly transfer to the STAR Bonds Revenue Fund,
20 on or before the 25th day of each calendar month, the
21 Department shall prepare and certify to the Comptroller the
22 disbursement of stated sums of money to the Regional
23 Transportation Authority and to named counties, the counties
24 to be those entitled to distribution, as hereinabove provided,
25 of taxes or penalties paid to the Department during the second
26 preceding calendar month. The amount to be paid to the

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

1 drawn for the respective amounts in accordance with the
2 directions contained in such certification.

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

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

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

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