



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4344

Introduced 1/14/2026, by Rep. Dave Vella

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
35 ILCS 105/3-6	
35 ILCS 105/3-10	from Ch. 120, par. 439.33-10
35 ILCS 105/9	
35 ILCS 120/2-8	
35 ILCS 120/2-10	from Ch. 120, par. 441-10
35 ILCS 120/3	

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Creates sales tax holiday periods for clothing, school supplies, diapers, wipes, and hygiene products. Provides that the sales tax periods shall run from January 1 through January 7 of 2027 and each year thereafter and from August 1 through August 7 of 2027 and each year thereafter. Requires retailers to clearly label sales tax holiday items as such in accordance with rules adopted by the Department of Revenue. Requires the Department of Revenue to establish a public awareness campaign in connection with the sales tax holiday program. Effective immediately.

LRB104 16793 HLH 30202 b

1 AN ACT concerning revenue.

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

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

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

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

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

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

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

12 A portion of the money paid into the Local Government Tax  
13 Fund from the 6.25% general rate (and, beginning July 1, 2000  
14 and through December 31, 2000, the 1.25% rate on motor fuel and  
15 gasohol, and during the sales tax holiday period, as defined  
16 in Section 3-6 of the Use Tax Act and Section 2-8 of the  
17 Retailers' Occupation Tax Act, ~~beginning on August 6, 2010~~  
18 ~~through August 15, 2010, and beginning again on August 5, 2022~~  
19 ~~through August 14, 2022,~~ the 1.25% rate on sales tax holiday  
20 items) on sales subject to taxation under the Retailers'  
21 Occupation Tax Act and the Service Occupation Tax Act, which  
22 occurred in municipalities, shall be distributed to each  
23 municipality, based upon the sales which occurred in that  
24 municipality. The remainder shall be distributed to each  
25 county, based upon the sales which occurred in the  
26 unincorporated area of such county.

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

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

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

1 the Tax Compliance and Administration Fund and shall be used  
2 by the Department, subject to appropriation, to cover the  
3 costs of the Department in administering the Innovation  
4 Development and Economy Act.

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

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

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

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

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

25 As soon as possible after March 8, 2013 (the effective  
26 date of Public Act 98-3), the State Comptroller shall order

1 and the State Treasurer shall transfer \$6,600,000 from the  
2 Local Government Tax Fund to the Illinois State Medical  
3 Disciplinary Fund.

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

7 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

8 Sec. 6z-20. County and Mass Transit District Fund. Of the  
9 money received from the 6.25% general rate (and, beginning  
10 July 1, 2000 and through December 31, 2000, the 1.25% rate on  
11 motor fuel and gasohol, and during the sales tax holiday  
12 period, as defined in Section 3-6 of the Use Tax Act and  
13 Section 2-8 of the Retailers' Occupation Tax Act ~~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 Service Occupation Tax Act  
18 and paid into the County and Mass Transit District Fund,  
19 distribution to the Regional Transportation Authority tax  
20 fund, created pursuant to Section 4.03 of the Regional  
21 Transportation Authority Act, for deposit therein shall be  
22 made based upon the retail sales occurring in a county having  
23 more than 3,000,000 inhabitants. The remainder shall be  
24 distributed to each county having 3,000,000 or fewer  
25 inhabitants based upon the retail sales occurring in each such

1 county.

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

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

1 January 14, 1991, which has not been paid to the Authority  
2 prior to that date, shall be transferred to the Regional  
3 Transportation Authority tax fund.

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

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

25 After the monthly transfer to the STAR Bonds Revenue Fund,  
26 on or before the 25th day of each calendar month, the

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

1 Compliance and Administration Fund under this Section. Within  
2 10 days after receipt, by the Comptroller, of the disbursement  
3 certification to the Regional Transportation Authority,  
4 counties, and the Tax Compliance and Administration Fund  
5 provided for in this Section to be given to the Comptroller by  
6 the Department, the Comptroller shall cause the orders to be  
7 drawn for the respective amounts in accordance with the  
8 directions contained in such certification.

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

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

24 In construing any development, redevelopment, annexation,  
25 preannexation or other lawful agreement in effect prior to  
26 September 1, 1990, which describes or refers to receipts from

1 a county or municipal retailers' occupation tax, use tax or  
2 service occupation tax which now cannot be imposed, such  
3 description or reference shall be deemed to include the  
4 replacement revenue for such abolished taxes, distributed from  
5 the County and Mass Transit District Fund or Local Government  
6 Distributive Fund, as the case may be.

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

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

10 (35 ILCS 105/3-6)

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

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

20 (1) For all sales tax holiday periods, clothing  
21 ~~clothing~~ items that each have a retail selling price of  
22 less than \$125.

23 "Clothing" means, unless otherwise specified in this  
24 Section, all human wearing apparel suitable for general

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

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

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

23 "Sport or recreational equipment" means, but is not  
24 limited to: ballet and tap shoes; cleated or spiked  
25 athletic shoes; gloves, including, but not limited to,  
26 baseball, bowling, boxing, hockey, and golf gloves;

1 goggles; hand and elbow guards; life preservers and vests;  
2 mouth guards; roller and ice skates; shin guards; shoulder  
3 pads; ski boots; waders; and wetsuits and fins.

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

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

1 writing tablets.

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

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

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

20 (3) For sales tax holiday periods beginning on or  
21 after January 1, 2027, diapers and wipes for use on  
22 infants, toddlers, and children.

23 (4) For sales tax holiday periods beginning on or  
24 after January 1, 2027, hygiene products that are not  
25 otherwise exempt from the tax under this Act, including  
26 soaps and cleaning solutions, shampoo, toothpaste,

1       mouthwash, antiperspirants, and suntan lotions and  
2       sunscreens.

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

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

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

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

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

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

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

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

24 (B) If a customer purchases an item of eligible  
25 property during the sales tax holiday period ~~Sales Tax~~  
26 ~~Holiday Period~~, but after the sales tax holiday period

1           ~~Sales Tax Holiday Period~~ has ended, the customer  
2           returns the item and receives credit on the purchase  
3           of a different item, the 6.25% general merchandise  
4           sales tax rate is due on the sale of the newly  
5           purchased item.

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

15          (6) (Blank).

16          (7) Order date and back orders. For the purpose of a  
17          sales tax holiday, eligible property qualifies for the  
18          reduced rate of tax if: (i) the item is both delivered to  
19          and paid for by the customer during the sales tax holiday  
20          period ~~Sales Tax Holiday Period~~ or (ii) the customer  
21          orders and pays for the item and the seller accepts the  
22          order during the sales tax holiday period ~~Sales Tax~~  
23          ~~Holiday Period~~ for immediate shipment, even if delivery is  
24          made after the sales tax holiday period ~~Sales Tax Holiday~~  
25          ~~Period~~. The seller accepts an order when the seller has  
26          taken action to fill the order for immediate shipment.

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

10           (8) Returns. For a 60-day period immediately after the  
11           sales tax holiday period ~~Sales Tax Holiday Period~~, if a  
12           customer returns an item that would qualify for the  
13           reduced rate of tax, credit for or refund of sales tax  
14           shall be given only at the reduced rate unless the  
15           customer provides a receipt or invoice that shows tax was  
16           paid at the 6.25% general merchandise rate, or the seller  
17           has sufficient documentation to show that tax was paid at  
18           the 6.25% general merchandise rate on the specific item.  
19           This 60-day period is set solely for the purpose of  
20           designating a time period during which the customer must  
21           provide documentation that shows that the appropriate  
22           sales tax rate was paid on returned merchandise. The  
23           60-day period is not intended to change a seller's policy  
24           on the time period during which the seller will accept  
25           returns.

26           (b-5) As used in this Section, "sales tax holiday period"

1 means:

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

3 (2) from August 5, 2022 through August 14, 2022;

4 (3) from January 1 through January 7 of 2027 and from  
5 January 1 through January 7 of each year thereafter; and

6 (4) from August 1 through August 7 of 2027 and from  
7 August 1 through August 7 of each year thereafter.

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

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

18 (35 ILCS 105/3-10) from Ch. 120, par. 439.33-10

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

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

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

21 During the sales tax holiday period, as defined in Section  
22 3-6, Beginning on August 6, 2010 through August 15, 2010, and  
23 beginning again on August 5, 2022 through August 14, 2022,  
24 with respect to sales tax holiday items described as defined  
25 in Section 3-6 ~~of this Act~~, the tax is imposed at the rate of  
26 1.25%.

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

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

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

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

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

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

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

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

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

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

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

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

26 Notwithstanding any other provisions of this Act,

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

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

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

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

26 Beginning on January 1, 2014 (the effective date of Public

1 Act 98-122), "prescription and nonprescription medicines and  
2 drugs" includes medical cannabis purchased from a registered  
3 dispensing organization under the Compassionate Use of Medical  
4 Cannabis Program Act.

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

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

18 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;  
19 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.  
20 8-15-25.)

21 (35 ILCS 105/9)

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

1 amount of such tax (except as otherwise provided) at the time  
2 when he is required to file his return for the period during  
3 which such tax was collected, less a discount of 2.1% prior to  
4 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
5 per calendar year, whichever is greater, which is allowed to  
6 reimburse the retailer for expenses incurred in collecting the  
7 tax, keeping records, preparing and filing returns, remitting  
8 the tax and supplying data to the Department on request.  
9 Beginning with returns due on or after January 1, 2025, the  
10 discount allowed in this Section, the Retailers' Occupation  
11 Tax Act, the Service Occupation Tax Act, and the Service Use  
12 Tax Act, including any local tax administered by the  
13 Department and reported on the same return, shall not exceed  
14 \$1,000 per month in the aggregate for returns other than  
15 transaction returns filed during the month. When determining  
16 the discount allowed under this Section, retailers shall  
17 include the amount of tax that would have been due at the 6.25%  
18 rate but for the 1.25% rate imposed on sales tax holiday items  
19 under Public Act 102-700. The discount under this Section is  
20 not allowed for the 1.25% portion of taxes paid on aviation  
21 fuel that is subject to the revenue use requirements of 49  
22 U.S.C. 47107(b) and 49 U.S.C. 47133. When determining the  
23 discount allowed under this Section, retailers shall include  
24 the amount of tax that would have been due at the 1% rate but  
25 for the 0% rate imposed under Public Act 102-700 or this  
26 amendatory Act of the 104th General Assembly. In the case of

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

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

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

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

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

1 immediate consumption) but for the 0% rate imposed under  
2 Public Act 102-700.

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

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

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

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

1 required by the Department. For purposes of this Section,  
2 "aviation fuel" means jet fuel and aviation gasoline.

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

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

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

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

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

23 The Department shall adopt such rules as are necessary to  
24 effectuate a program of electronic funds transfer and the  
25 requirements of this Section.

26 Before October 1, 2000, if the taxpayer's average monthly

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

1 liability is incurred begins on or after January 1, 1985, and  
2 prior to January 1, 1987, each payment shall be in an amount  
3 equal to 22.5% of the taxpayer's actual liability for the  
4 month or 27.5% of the taxpayer's liability for the same  
5 calendar month of the preceding year. If the month during  
6 which such tax liability is incurred begins on or after  
7 January 1, 1987, and prior to January 1, 1988, each payment  
8 shall be in an amount equal to 22.5% of the taxpayer's actual  
9 liability for the month or 26.25% of the taxpayer's liability  
10 for the same calendar month of the preceding year. If the month  
11 during which such tax liability is incurred begins on or after  
12 January 1, 1988, and prior to January 1, 1989, or begins on or  
13 after January 1, 1996, each payment shall be in an amount equal  
14 to 22.5% of the taxpayer's actual liability for the month or  
15 25% of the taxpayer's liability for the same calendar month of  
16 the preceding year. If the month during which such tax  
17 liability is incurred begins on or after January 1, 1989, and  
18 prior to January 1, 1996, each payment shall be in an amount  
19 equal to 22.5% of the taxpayer's actual liability for the  
20 month or 25% of the taxpayer's liability for the same calendar  
21 month of the preceding year or 100% of the taxpayer's actual  
22 liability for the quarter monthly reporting period. The amount  
23 of such quarter monthly payments shall be credited against the  
24 final tax liability of the taxpayer's return for that month.  
25 Before October 1, 2000, once applicable, the requirement of  
26 the making of quarter monthly payments to the Department shall

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

1 threshold stated above, then such taxpayer may petition the  
2 Department for a change in such taxpayer's reporting status.  
3 The Department shall change such taxpayer's reporting status  
4 unless it finds that such change is seasonal in nature and not  
5 likely to be long term. Quarter monthly payment status shall  
6 be determined under this paragraph as if the rate reduction to  
7 1.25% in Public Act 102-700 on sales tax holiday items had not  
8 occurred. Quarter monthly payment status shall be determined  
9 under this paragraph as if the rate reduction to 1.25% in this  
10 amendatory Act of the 104th General Assembly on sales tax  
11 holiday items had not occurred. For quarter monthly payments  
12 due on or after July 1, 2023 and through June 30, 2024, "25% of  
13 the taxpayer's liability for the same calendar month of the  
14 preceding year" shall be determined as if the rate reduction  
15 to 1.25% in Public Act 102-700 on sales tax holiday items had  
16 not occurred. For quarter monthly payments due on or after  
17 July 1, 2026 and through June 30, 2027, "25% of the taxpayer's  
18 liability for the same calendar month of the preceding year"  
19 shall be determined as if the rate reduction to 1.25% in this  
20 amendatory Act of the 104th General Assembly on sales tax  
21 holiday items had not occurred. Quarter monthly payment status  
22 shall be determined under this paragraph as if the rate  
23 reduction to 0% in Public Act 102-700 on food for human  
24 consumption that is to be consumed off the premises where it is  
25 sold (other than alcoholic beverages, food consisting of or  
26 infused with adult use cannabis, soft drinks, and food that

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

18 If any such payment provided for in this Section exceeds  
19 the taxpayer's liabilities under this Act, the Retailers'  
20 Occupation Tax Act, the Service Occupation Tax Act and the  
21 Service Use Tax Act, as shown by an original monthly return,  
22 the Department shall issue to the taxpayer a credit memorandum  
23 no later than 30 days after the date of payment, which  
24 memorandum may be submitted by the taxpayer to the Department  
25 in payment of tax liability subsequently to be remitted by the  
26 taxpayer to the Department or be assigned by the taxpayer to a

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

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

1 given year being due by October 20 of such year, and with the  
2 return for October, November and December of a given year  
3 being due by January 20 of the following year.

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

10 Such quarter annual and annual returns, as to form and  
11 substance, shall be subject to the same requirements as  
12 monthly returns.

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

20 In addition, with respect to motor vehicles, watercraft,  
21 aircraft, and trailers that are required to be registered with  
22 an agency of this State, except as otherwise provided in this  
23 Section, every retailer selling this kind of tangible personal  
24 property shall file, with the Department, upon a form to be  
25 prescribed and supplied by the Department, a separate return  
26 for each such item of tangible personal property which the

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

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

1 Department on the same uniform invoice-transaction reporting  
2 return form on or before the 20th of the month following the  
3 month in which the transfer takes place. Notwithstanding any  
4 other provision of this Act to the contrary, all returns filed  
5 under this paragraph must be filed by electronic means in the  
6 manner and form as required by the Department.

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

1 Department may reasonably require.

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

19 Such transaction reporting return shall be filed not later  
20 than 20 days after the date of delivery of the item that is  
21 being sold, but may be filed by the retailer at any time sooner  
22 than that if he chooses to do so. The transaction reporting  
23 return and tax remittance or proof of exemption from the tax  
24 that is imposed by this Act may be transmitted to the  
25 Department by way of the State agency with which, or State  
26 officer with whom, the tangible personal property must be

1 titled or registered (if titling or registration is required)  
2 if the Department and such agency or State officer determine  
3 that this procedure will expedite the processing of  
4 applications for title or registration.

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

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

26 If the user who would otherwise pay tax to the retailer

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

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

1 file those lease returns and make payment to the Department by  
2 electronic means on or before the 20th day of each month  
3 following the month, quarter, or year, as applicable, in which  
4 lease receipts were received. All lease receipts received by  
5 the lessor from the lease of those trailers during the same  
6 reporting period shall be reported and tax shall be paid on a  
7 single return form to be prescribed by the Department.

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

24 Any retailer filing a return under this Section shall also  
25 include (for the purpose of paying tax thereon) the total tax  
26 covered by such return upon the selling price of tangible

1 personal property purchased by him at retail from a retailer,  
2 but as to which the tax imposed by this Act was not collected  
3 from the retailer filing such return, and such retailer shall  
4 remit the amount of such tax to the Department when filing such  
5 return.

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

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

17 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 which is hereby created, the net  
20 revenue realized for the preceding month from the 1% tax  
21 imposed under this Act.

22 Beginning January 1, 1990, each month the Department shall  
23 pay into the County and Mass Transit District Fund 4% of the  
24 net revenue realized for the preceding month from the 6.25%  
25 general rate on the selling price of tangible personal  
26 property which is purchased outside Illinois at retail from a

1 retailer and which is titled or registered by an agency of this  
2 State's government.

3 Beginning January 1, 1990, each month the Department shall  
4 pay into the State and Local Sales Tax Reform Fund, a special  
5 fund in the State treasury, 20% of the net revenue realized for  
6 the preceding month from the 6.25% general rate on the selling  
7 price of tangible personal property, other than (i) tangible  
8 personal property which is purchased outside Illinois at  
9 retail from a retailer and which is titled or registered by an  
10 agency of this State's government and (ii) aviation fuel sold  
11 on or after December 1, 2019. This exception for aviation fuel  
12 only applies for so long as the revenue use requirements of 49  
13 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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

26 Beginning August 1, 2000, each month the Department shall

1 pay into the State and Local Sales Tax Reform Fund 100% of the  
2 net revenue realized for the preceding month from the 1.25%  
3 rate on the selling price of motor fuel and gasohol. If, in any  
4 month, the tax on sales tax holiday items, as defined in  
5 Section 3-6, is imposed at the rate of 1.25%, then the  
6 Department shall pay 100% of the net revenue realized for that  
7 month from the 1.25% rate on the selling price of sales tax  
8 holiday items into the State and Local Sales Tax Reform Fund.

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

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

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

1 process of sorbent injection as used to comply with the  
2 Environmental Protection Act or the federal Clean Air Act, but  
3 the total payment into the Clean Air Act Permit Fund under this  
4 Act and the Retailers' Occupation Tax Act shall not exceed  
5 \$2,000,000 in any fiscal year.

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

21 Beginning July 1, 2015, of the remainder of the moneys  
22 received by the Department under this Act, the Service Use Tax  
23 Act, the Service Occupation Tax Act, and the Retailers'  
24 Occupation Tax Act, each month the Department shall deposit  
25 \$500,000 into the State Crime Laboratory Fund.

26 Of the remainder of the moneys received by the Department

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

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

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

14 Subject to payment of amounts into the Build Illinois Fund  
15 as provided in the preceding paragraph or in any amendment  
16 thereto hereafter enacted, the following specified monthly  
17 installment of the amount requested in the certificate of the  
18 Chairman of the Metropolitan Pier and Exposition Authority  
19 provided under Section 8.25f of the State Finance Act, but not  
20 in excess of the sums designated as "Total Deposit", shall be  
21 deposited in the aggregate from collections under Section 9 of  
22 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
23 9 of the Service Occupation Tax Act, and Section 3 of the  
24 Retailers' Occupation Tax Act into the McCormick Place  
25 Expansion Project Fund in the specified fiscal years.

26 Fiscal Year Total Deposit

1	1993	\$0
2	1994	53,000,000
3	1995	58,000,000
4	1996	61,000,000
5	1997	64,000,000
6	1998	68,000,000
7	1999	71,000,000
8	2000	75,000,000
9	2001	80,000,000
10	2002	93,000,000
11	2003	99,000,000
12	2004	103,000,000
13	2005	108,000,000
14	2006	113,000,000
15	2007	119,000,000
16	2008	126,000,000
17	2009	132,000,000
18	2010	139,000,000
19	2011	146,000,000
20	2012	153,000,000
21	2013	161,000,000
22	2014	170,000,000
23	2015	179,000,000
24	2016	189,000,000
25	2017	199,000,000
26	2018	210,000,000

1	2019	221,000,000
2	2020	233,000,000
3	2021	300,000,000
4	2022	300,000,000
5	2023	300,000,000
6	2024	300,000,000
7	2025	300,000,000
8	2026	300,000,000
9	2027	375,000,000
10	2028	375,000,000
11	2029	375,000,000
12	2030	375,000,000
13	2031	375,000,000
14	2032	375,000,000
15	2033	375,000,000
16	2034	375,000,000
17	2035	375,000,000
18	2036	450,000,000

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

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

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

1           Subject to payment of amounts into the Build Illinois Fund  
2 and the McCormick Place Expansion Project Fund pursuant to the  
3 preceding paragraphs or in any amendments thereto hereafter  
4 enacted, beginning July 1, 1993 and ending on September 30,  
5 2013, the Department shall each month pay into the Illinois  
6 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
7 the preceding month from the 6.25% general rate on the selling  
8 price of tangible personal property.

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

1 and use taxes administered by the Department.

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

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

1 "public-private agreement", and "public agency" have the  
 2 meanings provided in Section 25-10 of the Public-Private  
 3 Partnership for Civic and Transit Infrastructure Project Act.

4	Fiscal Year.....	Total Deposit
5	2024 .....	\$200,000,000
6	2025 .....	\$206,000,000
7	2026 .....	\$212,200,000
8	2027 .....	\$218,500,000
9	2028 .....	\$225,100,000
10	2029 .....	\$288,700,000
11	2030 .....	\$298,900,000
12	2031 .....	\$309,300,000
13	2032 .....	\$320,100,000
14	2033 .....	\$331,200,000
15	2034 .....	\$341,200,000
16	2035 .....	\$351,400,000
17	2036 .....	\$361,900,000
18	2037 .....	\$372,800,000
19	2038 .....	\$384,000,000
20	2039 .....	\$395,500,000
21	2040 .....	\$407,400,000
22	2041 .....	\$419,600,000
23	2042 .....	\$432,200,000
24	2043 .....	\$445,100,000

25 Beginning July 1, 2021 and until July 1, 2022, subject to  
 26 the payment of amounts into the State and Local Sales Tax

1 Reform Fund, the Build Illinois Fund, the McCormick Place  
2 Expansion Project Fund, the Illinois Tax Increment Fund, and  
3 the Tax Compliance and Administration Fund as provided in this  
4 Section, the Department shall pay each month into the Road  
5 Fund the amount estimated to represent 16% of the net revenue  
6 realized from the taxes imposed on motor fuel and gasohol.  
7 Beginning July 1, 2022 and until July 1, 2023, subject to the  
8 payment of amounts into the State and Local Sales Tax Reform  
9 Fund, the Build Illinois Fund, the McCormick Place Expansion  
10 Project Fund, the Illinois Tax Increment Fund, and the Tax  
11 Compliance and Administration Fund as provided in this  
12 Section, the Department shall pay each month into the Road  
13 Fund the amount estimated to represent 32% of the net revenue  
14 realized from the taxes imposed on motor fuel and gasohol.  
15 Beginning July 1, 2023 and until July 1, 2024, subject to the  
16 payment of amounts into the State and Local Sales Tax Reform  
17 Fund, the Build Illinois Fund, the McCormick Place Expansion  
18 Project Fund, the Illinois Tax Increment Fund, and the Tax  
19 Compliance and Administration Fund as provided in this  
20 Section, the Department shall pay each month into the Road  
21 Fund the amount estimated to represent 48% of the net revenue  
22 realized from the taxes imposed on motor fuel and gasohol.  
23 Beginning July 1, 2024 and until July 1, 2026, subject to the  
24 payment of amounts into the State and Local Sales Tax Reform  
25 Fund, the Build Illinois Fund, the McCormick Place Expansion  
26 Project Fund, the Illinois Tax Increment Fund, and the Tax

1 Compliance and Administration Fund as provided in this  
2 Section, the Department shall pay each month into the Road  
3 Fund the amount estimated to represent 64% of the net revenue  
4 realized from the taxes imposed on motor fuel and gasohol.  
5 Beginning on July 1, 2026, subject to the payment of amounts  
6 into the State and Local Sales Tax Reform Fund, the Build  
7 Illinois Fund, the McCormick Place Expansion Project Fund, the  
8 Illinois Tax Increment Fund, and the Tax Compliance and  
9 Administration Fund as provided in this Section, the  
10 Department shall pay each month into the Road Fund the amount  
11 estimated to represent 80% of the net revenue realized from  
12 the taxes imposed on motor fuel and gasohol. As used in this  
13 paragraph, "motor fuel" has the meaning given to that term in  
14 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the  
15 meaning given to that term in Section 3-40 of this Act.

16 Until July 1, 2025, of the remainder of the moneys  
17 received by the Department pursuant to this Act, 75% thereof  
18 shall be paid into the State treasury and 25% shall be reserved  
19 in a special account and used only for the transfer to the  
20 Common School Fund as part of the monthly transfer from the  
21 General Revenue Fund in accordance with Section 8a of the  
22 State Finance Act. Beginning July 1, 2025, of the remainder of  
23 the moneys received by the Department pursuant to this Act,  
24 75% shall be deposited into the General Revenue Fund and 25%  
25 shall be deposited into the Common School Fund.

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

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

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

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

18 (Source: P.A. 103-154, eff. 6-30-23; 103-363, eff. 7-28-23;  
19 103-592, Article 75, Section 75-5, eff. 1-1-25; 103-592,  
20 Article 110, Section 110-5, eff. 6-7-24; 103-1055, eff.  
21 12-20-24; 104-6, Article 5, Section 5-10, eff. 6-16-25; 104-6,  
22 Article 35, Section 35-20, eff. 6-16-25; revised 7-21-25.)

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

1 (35 ILCS 120/2-8)

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

3 (a) Any tangible personal property described in this  
4 subsection is a sales tax holiday item and qualifies for the  
5 1.25% reduced rate of tax for the sales tax holiday period  
6 ~~period set forth in Section 2-10 of this Act (hereinafter~~  
7 ~~referred to as the Sales Tax Holiday Period)~~. The reduced rate  
8 on these items shall be administered under the provisions of  
9 subsection (b) of this Section. The following items are  
10 subject to the reduced rate:

11 (1) For all sales tax holiday periods, clothing  
12 ~~Clothing~~ items that each have a retail selling price of  
13 less than \$125.

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

1 "Clothing accessories" means, but is not limited to:  
2 briefcases; cosmetics; hair notions, including, but not  
3 limited to barrettes, hair bows, and hair nets; handbags;  
4 handkerchiefs; jewelry; non-prescription sunglasses;  
5 umbrellas; wallets; watches; and wigs and hair pieces.

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

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

19 (2) For all sales tax holiday periods, school ~~School~~  
20 supplies. "School supplies" means, unless otherwise  
21 specified in this Section, items used by a student in a  
22 course of study. The purchase of school supplies for use  
23 by persons other than students for use in a course of study  
24 are not eligible for the reduced rate of tax. "School  
25 supplies" do not include school art supplies; school  
26 instructional materials; cameras; film and memory cards;

1 videocameras, tapes, and videotapes; computers; cell  
2 phones; Personal Digital Assistants (PDAs); handheld  
3 electronic schedulers; and school computer supplies.

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

17 "School art supply" means an item commonly used by a  
18 student in a course of study for artwork and includes only  
19 the following items: clay and glazes; acrylic, tempera,  
20 and oil paint; paintbrushes for artwork; sketch and  
21 drawing pads; and watercolors.

22 "School instructional material" means written material  
23 commonly used by a student in a course of study as a  
24 reference and to learn the subject being taught and  
25 includes only the following items: reference books;  
26 reference maps and globes; textbooks; and workbooks.

1 "School computer supply" means an item commonly used  
2 by a student in a course of study in which a computer is  
3 used and applies only to the following items: flashdrives  
4 and other computer data storage devices; data storage  
5 media, such as diskettes and compact disks; boxes and  
6 cases for disk storage; external ports or drives; computer  
7 cases; computer cables; computer printers; and printer  
8 cartridges, toner, and ink.

9 (3) For sales tax holiday periods beginning on or  
10 after January 1, 2027, diapers and wipes for use on  
11 infants, toddlers, and children.

12 (4) For sales tax holiday periods beginning on or  
13 after January 1, 2027, hygiene products that are not  
14 otherwise exempt from the tax under this Act, including  
15 soaps and cleaning solutions, shampoo, toothpaste,  
16 mouthwash, antiperspirants, and suntan lotions and  
17 sunscreens.

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

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

1 reduced rate of tax exceeds the value of the items that do  
2 not qualify for the reduced rate of tax.

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

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

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

1 reduced rate of tax if the property is actually purchased  
2 after the sales tax holiday period ~~Sales Tax Holiday~~  
3 ~~Period~~.

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

6 (A) If a customer purchases an item of eligible  
7 property during the sales tax holiday period ~~Sales Tax~~  
8 ~~Holiday Period~~, but later exchanges the item for a  
9 similar eligible item, even if a different size,  
10 different color, or other feature, no additional tax  
11 is due even if the exchange is made after the sales tax  
12 holiday period ~~Sales Tax Holiday Period~~.

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

21 (C) If a customer purchases an item of eligible  
22 property before the sales tax holiday period ~~Sales Tax~~  
23 ~~Holiday Period~~, but during the sales tax holiday  
24 period ~~Sales Tax Holiday Period~~ the customer returns  
25 the item and receives credit on the purchase of a  
26 different item of eligible property, the reduced rate

1 of tax is due on the sale of the new item if the new  
2 item is purchased during the sales tax holiday period  
3 ~~Sales Tax Holiday Period~~.

4 (6) (Blank).

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

25 (8) Returns. For a 60-day period immediately after the  
26 sales tax holiday period ~~Sales Tax Holiday Period~~, if a

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

15 (b-5) As used in this Section, "sales tax holiday period"  
16 means:

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

18 (2) from August 5, 2022 through August 14, 2022;

19 (3) from January 1 through January 7 of 2027 and from  
20 January 1 through January 7 of each year thereafter; and

21 (4) from August 1 through August 7 of 2027 and from  
22 August 1 through August 7 of each year thereafter.

23 (b-10) During the sales tax holiday period, retailers  
24 shall clearly label sales tax holiday items as such in  
25 accordance with rules adopted by the Department.

26 (b-15) The Department shall create a public awareness

1 campaign to inform the public of the sales tax holiday program  
2 under this Section in advance of each sales tax holiday  
3 period.

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 120/2-10) from Ch. 120, par. 441-10

15 Sec. 2-10. 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 gross receipts from sales, which, on and after January 1,  
18 2025, includes leases, of tangible personal property made in  
19 the course of business.

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

24 During the sales tax holiday period, as defined in Section  
25 2-8, Beginning on August 6, 2010 through August 15, 2010, and

1 ~~beginning again on August 5, 2022 through August 14, 2022,~~  
2 with respect to sales tax holiday items described ~~as defined~~  
3 in Section 2-8 ~~of this Act~~, the tax is imposed at the rate of  
4 1.25%.

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

20       With respect to gasohol, as defined in the Use Tax Act, the  
21 tax imposed by this Act applies to (i) 70% of the proceeds of  
22 sales made on or after January 1, 1990, and before July 1,  
23 2003, (ii) 80% of the proceeds of sales made on or after July  
24 1, 2003 and on or before July 1, 2017, (iii) 100% of the  
25 proceeds of sales made after July 1, 2017 and prior to January  
26 1, 2024, (iv) 90% of the proceeds of sales made on or after

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

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

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

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

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

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

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

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

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

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

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

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

23 Notwithstanding any other provisions of this Act,  
24 beginning September 1, 2009, "food for human consumption that  
25 is to be consumed off the premises where it is sold" does not  
26 include candy. For purposes of this Section, "candy" means a

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

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

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

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

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

1 Cannabis Program Act.

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

7 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;  
8 103-592, eff. 1-1-25; 103-781, eff. 8-5-24; 104-417, eff.  
9 8-15-25.)

10 (35 ILCS 120/3)

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

17 1. The name of the seller;

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

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

1 services furnished, by him during such preceding calendar  
2 month or quarter;

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

8 5. Deductions allowed by law;

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

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

22 8. The amount of tax due, including the amount of tax  
23 that would have been due on food for human consumption  
24 that is to be consumed off the premises where it is sold  
25 (other than alcoholic beverages, food consisting of or  
26 infused with adult use cannabis, soft drinks, and food

1 that has been prepared for immediate consumption) but for  
2 the 0% rate imposed under Public Act 102-700;

3 9. The signature of the taxpayer; and

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

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

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

26 If a taxpayer fails to sign a return within 30 days after

1 the proper notice and demand for signature by the Department,  
2 the return shall be considered valid and any amount shown to be  
3 due on the return shall be deemed assessed.

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

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

1 liability.

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

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

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

5 1. The name of the seller;

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

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

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

16 5. The amount of tax due; and

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

19 Every person engaged in the business of selling aviation  
20 fuel at retail in this State during the preceding calendar  
21 month shall, instead of reporting and paying tax as otherwise  
22 required by this Section, report and pay such tax on a separate  
23 aviation fuel tax return. The requirements related to the  
24 return shall be as otherwise provided in this Section.  
25 Notwithstanding any other provisions of this Act to the  
26 contrary, retailers selling aviation fuel shall file all

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

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

19 Beginning on October 1, 2003, every distributor, importing  
20 distributor, and manufacturer of alcoholic liquor as defined  
21 in the Liquor Control Act of 1934, shall file a statement with  
22 the Department of Revenue, no later than the 10th day of the  
23 month for the preceding month during which transactions  
24 occurred, by electronic means, showing the total amount of  
25 gross receipts from the sale of alcoholic liquor sold or  
26 distributed during the preceding month to purchasers;

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

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

25 Notwithstanding any other provision of this Act to the  
26 contrary, retailers subject to tax on cannabis shall file all

1 cannabis tax returns and shall make all cannabis tax payments  
2 by electronic means in the manner and form required by the  
3 Department.

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

1 Department of Revenue Law shall make all payments required by  
2 rules of the Department by electronic funds transfer.

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

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

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

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

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

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

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

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

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

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

26 Where the same person has more than one business

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

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

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

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

20 Any retailer who sells only motor vehicles, watercraft,  
21 aircraft, or trailers that are required to be registered with  
22 an agency of this State, so that all retailers' occupation tax  
23 liability is required to be reported, and is reported, on such  
24 transaction reporting returns and who is not otherwise  
25 required to file monthly or quarterly returns, need not file  
26 monthly or quarterly returns. However, those retailers shall

1 be required to file returns on an annual basis.

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

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

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

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

26 With each such transaction reporting return, the retailer

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

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

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

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

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

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

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

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

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

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

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

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

20 Before October 1, 2000, if the taxpayer's average monthly  
21 tax liability to the Department under this Act, the Use Tax  
22 Act, the Service Occupation Tax Act, and the Service Use Tax  
23 Act, excluding any liability for prepaid sales tax to be  
24 remitted in accordance with Section 2d of this Act, was  
25 \$10,000 or more during the preceding 4 complete calendar  
26 quarters, he shall file a return with the Department each

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

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

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

1 reasonably foreseeable future will fall below the \$20,000  
2 threshold stated above, then such taxpayer may petition the  
3 Department for a change in such taxpayer's reporting status.  
4 The Department shall change such taxpayer's reporting status  
5 unless it finds that such change is seasonal in nature and not  
6 likely to be long term. Quarter monthly payment status shall  
7 be determined under this paragraph as if the rate reduction to  
8 0% in Public Act 102-700 on food for human consumption that is  
9 to be consumed off the premises where it is sold (other than  
10 alcoholic beverages, food consisting of or infused with adult  
11 use cannabis, soft drinks, and food that has been prepared for  
12 immediate consumption) had not occurred. For quarter monthly  
13 payments due under this paragraph on or after July 1, 2023 and  
14 through June 30, 2024, "25% of the taxpayer's liability for  
15 the same calendar month of the preceding year" shall be  
16 determined as if the rate reduction to 0% in Public Act 102-700  
17 had not occurred. Quarter monthly payment status shall be  
18 determined under this paragraph as if the rate reduction to  
19 1.25% in Public Act 102-700 on sales tax holiday items had not  
20 occurred. Quarter monthly payment status shall be determined  
21 under this paragraph as if the rate reduction to 1.25% in this  
22 amendatory Act of the 104th General Assembly on sales tax  
23 holiday items had not occurred. For quarter monthly payments  
24 due on or after July 1, 2023 and through June 30, 2024, "25% of  
25 the taxpayer's liability for the same calendar month of the  
26 preceding year" shall be determined as if the rate reduction

1 to 1.25% in Public Act 102-700 on sales tax holiday items had  
2 not occurred. For quarter monthly payments due on or after  
3 July 1, 2026 and through June 30, 2027, "25% of the taxpayer's  
4 liability for the same calendar month of the preceding year"  
5 shall be determined as if the rate reduction to 1.25% in this  
6 amendatory Act of the 104th General Assembly on sales tax  
7 holiday items had not occurred. If any such quarter monthly  
8 payment is not paid at the time or in the amount required by  
9 this Section, then the taxpayer shall be liable for penalties  
10 and interest on the difference between the minimum amount due  
11 as a payment and the amount of such quarter monthly payment  
12 actually and timely paid, except insofar as the taxpayer has  
13 previously made payments for that month to the Department in  
14 excess of the minimum payments previously due as provided in  
15 this Section. The Department shall make reasonable rules and  
16 regulations to govern the quarter monthly payment amount and  
17 quarter monthly payment dates for taxpayers who file on other  
18 than a calendar monthly basis.

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

1 Department on or before the 7th, 15th, 22nd and last day of the  
2 month during which such liability is incurred. If the month  
3 during which such tax liability is incurred began prior to  
4 September 1, 1985 (the effective date of Public Act 84-221),  
5 each payment shall be in an amount not less than 22.5% of the  
6 taxpayer's actual liability under Section 2d. If the month  
7 during which such tax liability is incurred begins on or after  
8 January 1, 1986, each payment shall be in an amount equal to  
9 22.5% of the taxpayer's actual liability for the month or  
10 27.5% of the taxpayer's liability for the same calendar month  
11 of the preceding calendar year. If the month during which such  
12 tax liability is incurred begins on or after January 1, 1987,  
13 each payment shall be in an amount equal to 22.5% of the  
14 taxpayer's actual liability for the month or 26.25% of the  
15 taxpayer's liability for the same calendar month of the  
16 preceding year. The amount of such quarter monthly payments  
17 shall be credited against the final tax liability of the  
18 taxpayer's return for that month filed under this Section or  
19 Section 2f, as the case may be. Once applicable, the  
20 requirement of the making of quarter monthly payments to the  
21 Department pursuant to this paragraph shall continue until  
22 such taxpayer's average monthly prepaid tax collections during  
23 the preceding 2 complete calendar quarters is \$25,000 or less.  
24 If any such quarter monthly payment is not paid at the time or  
25 in the amount required, the taxpayer shall be liable for  
26 penalties and interest on such difference, except insofar as

1 the taxpayer has previously made payments for that month in  
2 excess of the minimum payments previously due.

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

1 quarter of the 4 preceding complete calendar quarters is less  
2 than \$20,000. If any such quarter monthly payment is not paid  
3 at the time or in the amount required, the taxpayer shall be  
4 liable for penalties and interest on such difference, except  
5 insofar as the taxpayer has previously made payments for that  
6 month in excess of the minimum payments previously due.

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

1 and that taxpayer shall be liable for penalties and interest  
2 on such difference.

3 If a retailer of motor fuel is entitled to a credit under  
4 Section 2d of this Act which exceeds the taxpayer's liability  
5 to the Department under this Act for the month for which the  
6 taxpayer is filing a return, the Department shall issue the  
7 taxpayer a credit memorandum for the excess.

8 The net revenue realized at the 15% rate under either  
9 Section 4 or Section 5 of this Act shall be deposited as  
10 follows: (i) notwithstanding the provisions of this Section to  
11 the contrary, the net revenue realized from the portion of the  
12 rate in excess of 5% shall be deposited into the State and  
13 Local Sales Tax Reform Fund; and (ii) the net revenue realized  
14 from the 5% portion of the rate shall be deposited as provided  
15 in this Section for the 5% portion of the 6.25% general rate  
16 imposed under this Act.

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

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

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

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

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

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

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

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

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

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

1 process of sorbent injection as used to comply with the  
2 Environmental Protection Act or the federal Clean Air Act, but  
3 the total payment into the Clean Air Act Permit Fund under this  
4 Act and the Use Tax Act shall not exceed \$2,000,000 in any  
5 fiscal year.

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

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

26 Of the remainder of the moneys received by the Department

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

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

1                   1992                                   \$182,730,000

2                   1993                                   \$206,520,000;

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

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

26 Subject to payment of amounts into the Build Illinois Fund

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

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

1	2007	119,000,000
2	2008	126,000,000
3	2009	132,000,000
4	2010	139,000,000
5	2011	146,000,000
6	2012	153,000,000
7	2013	161,000,000
8	2014	170,000,000
9	2015	179,000,000
10	2016	189,000,000
11	2017	199,000,000
12	2018	210,000,000
13	2019	221,000,000
14	2020	233,000,000
15	2021	300,000,000
16	2022	300,000,000
17	2023	300,000,000
18	2024	300,000,000
19	2025	300,000,000
20	2026	300,000,000
21	2027	375,000,000
22	2028	375,000,000
23	2029	375,000,000
24	2030	375,000,000
25	2031	375,000,000
26	2032	375,000,000

1	2033	375,000,000
2	2034	375,000,000
3	2035	375,000,000
4	2036	450,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

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

26 Subject to payment of amounts into the Capital Projects

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

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

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

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

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

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

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

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

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

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

1 Road Fund the amount estimated to represent 32% of the net  
2 revenue realized from the taxes imposed on motor fuel and  
3 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
4 subject to the payment of amounts into the County and Mass  
5 Transit District Fund, the Local Government Tax Fund, the  
6 Build Illinois Fund, the McCormick Place Expansion Project  
7 Fund, the Illinois Tax Increment Fund, and the Tax Compliance  
8 and Administration Fund as provided in this Section, the  
9 Department shall pay each month into the Road Fund the amount  
10 estimated to represent 48% of the net revenue realized from  
11 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
12 2024 and until July 1, 2026, subject to the payment of amounts  
13 into the County and Mass Transit District Fund, the Local  
14 Government Tax Fund, the Build Illinois Fund, the McCormick  
15 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
16 and the Tax Compliance and Administration Fund as provided in  
17 this Section, the Department shall pay each month into the  
18 Road Fund the amount estimated to represent 64% of the net  
19 revenue realized from the taxes imposed on motor fuel and  
20 gasohol. Beginning on July 1, 2026, subject to the payment of  
21 amounts into the County and Mass Transit District Fund, the  
22 Local Government Tax Fund, the Build Illinois Fund, the  
23 McCormick Place Expansion Project Fund, the Illinois Tax  
24 Increment Fund, and the Tax Compliance and Administration Fund  
25 as provided in this Section, the Department shall pay each  
26 month into the Road Fund the amount estimated to represent 80%

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

6 Until July 1, 2025, of the remainder of the moneys  
7 received by the Department pursuant to this Act, 75% thereof  
8 shall be paid into the State treasury and 25% shall be reserved  
9 in a special account and used only for the transfer to the  
10 Common School Fund as part of the monthly transfer from the  
11 General Revenue Fund in accordance with Section 8a of the  
12 State Finance Act. Beginning July 1, 2025, of the remainder of  
13 the moneys received by the Department pursuant to this Act,  
14 75% shall be deposited into the General Revenue Fund and 25%  
15 shall be deposited into the Common School Fund.

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

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

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

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

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

26 The chief executive officer, proprietor, owner, or highest

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

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

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

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

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

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

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

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

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

15 (Source: P.A. 103-9, eff. 6-7-23; 103-154, eff. 6-30-23;  
16 103-363, eff. 7-28-23; 103-592, Article 75, Section 75-20,  
17 eff. 1-1-25; 103-592, Article 110, Section 110-20, eff.  
18 6-7-24; 103-605, eff. 7-1-24; 103-1055, eff. 12-20-24; 104-6,  
19 Article 5, Section 5-25, eff. 6-16-25; 104-6, Article 25,  
20 Section 25-20, eff. 6-16-25; 104-6, Article 35, Section 35-35,  
21 eff. 6-16-25; revised 7-21-25.)

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.