



Sen. Cristina Castro

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10400SB0752sam001

LRB104 07274 HLH 24726 a

1 AMENDMENT TO SENATE BILL 752

2 AMENDMENT NO. _____. Amend Senate Bill 752 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Use Tax Act is amended by changing
5 Sections 2, 2d, and 22 as follows:

6 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

7 Sec. 2. Definitions. As used in this Act:

8 "Use" means the exercise by any person of any right or
9 power over tangible personal property incident to the
10 ownership of that property, or, on and after January 1, 2025,
11 incident to the possession or control of, the right to possess
12 or control, or a license to use that property through a lease,
13 except that it does not include the sale of such property in
14 any form as tangible personal property in the regular course
15 of business to the extent that such property is not first
16 subjected to a use for which it was purchased, and does not

1 include the use of such property by its owner for
2 demonstration purposes: Provided that the property purchased
3 is deemed to be purchased for the purpose of resale, despite
4 first being used, to the extent to which it is resold as an
5 ingredient of an intentionally produced product or by-product
6 of manufacturing. "Use" does not mean the demonstration use or
7 interim use of tangible personal property by a retailer before
8 he sells that tangible personal property. On and after January
9 1, 2025, the lease of tangible personal property to a lessee by
10 a retailer who is subject to tax on lease receipts under Public
11 Act 103-592 ~~this amendatory Act of the 103rd General Assembly~~
12 does not qualify as demonstration use or interim use of that
13 property. For watercraft or aircraft, if the period of
14 demonstration use or interim use by the retailer exceeds 18
15 months, the retailer shall pay on the retailers' original cost
16 price the tax imposed by this Act, and no credit for that tax
17 is permitted if the watercraft or aircraft is subsequently
18 sold by the retailer. "Use" does not mean the physical
19 incorporation of tangible personal property, to the extent not
20 first subjected to a use for which it was purchased, as an
21 ingredient or constituent, into other tangible personal
22 property (a) which is sold in the regular course of business or
23 (b) which the person incorporating such ingredient or
24 constituent therein has undertaken at the time of such
25 purchase to cause to be transported in interstate commerce to
26 destinations outside the State of Illinois: Provided that the

1 property purchased is deemed to be purchased for the purpose
2 of resale, despite first being used, to the extent to which it
3 is resold as an ingredient of an intentionally produced
4 product or by-product of manufacturing.

5 "Lease" means a transfer of the possession or control of,
6 the right to possess or control, or a license to use, but not
7 title to, tangible personal property for a fixed or
8 indeterminate term for consideration, regardless of the name
9 by which the transaction is called. "Lease" does not include a
10 lease entered into merely as a security agreement that does
11 not involve a transfer of possession or control from the
12 lessor to the lessee.

13 On and after January 1, 2025, the term "sale", when used in
14 this Act, includes a lease.

15 "Watercraft" means a Class 2, Class 3, or Class 4
16 watercraft as defined in Section 3-2 of the Boat Registration
17 and Safety Act, a personal watercraft, or any boat equipped
18 with an inboard motor.

19 "Purchase at retail" means the acquisition of the
20 ownership of, the title to, the possession or control of, the
21 right to possess or control, or a license to use, tangible
22 personal property through a sale at retail.

23 "Purchaser" means anyone who, through a sale at retail,
24 acquires the ownership of, the title to, the possession or
25 control of, the right to possess or control, or a license to
26 use, tangible personal property for a valuable consideration.

1 "Sale at retail" means any transfer of the ownership of or
2 title to tangible personal property to a purchaser, for the
3 purpose of use, and not for the purpose of resale in any form
4 as tangible personal property to the extent not first
5 subjected to a use for which it was purchased, for a valuable
6 consideration: Provided that the property purchased is deemed
7 to be purchased for the purpose of resale, despite first being
8 used, to the extent to which it is resold as an ingredient of
9 an intentionally produced product or by-product of
10 manufacturing. For this purpose, slag produced as an incident
11 to manufacturing pig iron or steel and sold is considered to be
12 an intentionally produced by-product of manufacturing. "Sale
13 at retail" includes any such transfer made for resale unless
14 made in compliance with Section 2c of the Retailers'
15 Occupation Tax Act, as incorporated by reference into Section
16 12 of this Act. Transactions whereby the possession of the
17 property is transferred but the seller retains the title as
18 security for payment of the selling price are sales.

19 "Sale at retail" shall also be construed to include any
20 Illinois florist's sales transaction in which the purchase
21 order is received in Illinois by a florist and the sale is for
22 use or consumption, but the Illinois florist has a florist in
23 another state deliver the property to the purchaser or the
24 purchaser's donee in such other state.

25 Nonreusable tangible personal property that is used by
26 persons engaged in the business of operating a restaurant,

1 cafeteria, or drive-in is a sale for resale when it is
2 transferred to customers in the ordinary course of business as
3 part of the sale of food or beverages and is used to deliver,
4 package, or consume food or beverages, regardless of where
5 consumption of the food or beverages occurs. Examples of those
6 items include, but are not limited to nonreusable, paper and
7 plastic cups, plates, baskets, boxes, sleeves, buckets or
8 other containers, utensils, straws, placemats, napkins, doggie
9 bags, and wrapping or packaging materials that are transferred
10 to customers as part of the sale of food or beverages in the
11 ordinary course of business.

12 The purchase, employment, and transfer of such tangible
13 personal property as newsprint and ink for the primary purpose
14 of conveying news (with or without other information) is not a
15 purchase, use, or sale of tangible personal property.

16 "Selling price" means the consideration for a sale valued
17 in money whether received in money or otherwise, including
18 cash, credits, property other than as hereinafter provided,
19 and services, but, prior to January 1, 2020 and beginning
20 again on January 1, 2022, not including the value of or credit
21 given for traded-in tangible personal property where the item
22 that is traded-in is of like kind and character as that which
23 is being sold; beginning January 1, 2020 and until January 1,
24 2022, "selling price" includes the portion of the value of or
25 credit given for traded-in motor vehicles of the First
26 Division as defined in Section 1-146 of the Illinois Vehicle

1 Code of like kind and character as that which is being sold
2 that exceeds \$10,000. "Selling price" shall be determined
3 without any deduction on account of the cost of the property
4 sold, the cost of materials used, labor or service cost, or any
5 other expense whatsoever, but does not include interest or
6 finance charges which appear as separate items on the bill of
7 sale or sales contract nor charges that are added to prices by
8 sellers on account of the seller's tax liability under the
9 Retailers' Occupation Tax Act, or on account of the seller's
10 duty to collect, from the purchaser, the tax that is imposed by
11 this Act, or, except as otherwise provided with respect to any
12 cigarette tax imposed by a home rule unit, on account of the
13 seller's tax liability under any local occupation tax
14 administered by the Department, or, except as otherwise
15 provided with respect to any cigarette tax imposed by a home
16 rule unit on account of the seller's duty to collect, from the
17 purchasers, the tax that is imposed under any local use tax
18 administered by the Department. Effective December 1, 1985,
19 "selling price" shall include charges that are added to prices
20 by sellers on account of the seller's tax liability under the
21 Cigarette Tax Act, on account of the seller's duty to collect,
22 from the purchaser, the tax imposed under the Cigarette Use
23 Tax Act, and on account of the seller's duty to collect, from
24 the purchaser, any cigarette tax imposed by a home rule unit.

25 The provisions of this paragraph, which provides only for
26 an alternative meaning of "selling price" with respect to the

1 sale of certain motor vehicles incident to the contemporaneous
2 lease of those motor vehicles, continue in effect and are not
3 changed by the tax on leases implemented by Public Act 103-592
4 ~~this amendatory Act of the 103rd General Assembly.~~

5 Notwithstanding any law to the contrary, for any motor
6 vehicle, as defined in Section 1-146 of the Vehicle Code, that
7 is sold on or after January 1, 2015 for the purpose of leasing
8 the vehicle for a defined period that is longer than one year
9 and (1) is a motor vehicle of the second division that: (A) is
10 a self-contained motor vehicle designed or permanently
11 converted to provide living quarters for recreational,
12 camping, or travel use, with direct walk through access to the
13 living quarters from the driver's seat; (B) is of the van
14 configuration designed for the transportation of not less than
15 7 nor more than 16 passengers; or (C) has a gross vehicle
16 weight rating of 8,000 pounds or less or (2) is a motor vehicle
17 of the first division, "selling price" or "amount of sale"
18 means the consideration received by the lessor pursuant to the
19 lease contract, including amounts due at lease signing and all
20 monthly or other regular payments charged over the term of the
21 lease. Also included in the selling price is any amount
22 received by the lessor from the lessee for the leased vehicle
23 that is not calculated at the time the lease is executed,
24 including, but not limited to, excess mileage charges and
25 charges for excess wear and tear. For sales that occur in
26 Illinois, with respect to any amount received by the lessor

1 from the lessee for the leased vehicle that is not calculated
2 at the time the lease is executed, the lessor who purchased the
3 motor vehicle does not incur the tax imposed by the Use Tax Act
4 on those amounts, and the retailer who makes the retail sale of
5 the motor vehicle to the lessor is not required to collect the
6 tax imposed by this Act or to pay the tax imposed by the
7 Retailers' Occupation Tax Act on those amounts. However, the
8 lessor who purchased the motor vehicle assumes the liability
9 for reporting and paying the tax on those amounts directly to
10 the Department in the same form (Illinois Retailers'
11 Occupation Tax, and local retailers' occupation taxes, if
12 applicable) in which the retailer would have reported and paid
13 such tax if the retailer had accounted for the tax to the
14 Department. For amounts received by the lessor from the lessee
15 that are not calculated at the time the lease is executed, the
16 lessor must file the return and pay the tax to the Department
17 by the due date otherwise required by this Act for returns
18 other than transaction returns. If the retailer is entitled
19 under this Act to a discount for collecting and remitting the
20 tax imposed under this Act to the Department with respect to
21 the sale of the motor vehicle to the lessor, then the right to
22 the discount provided in this Act shall be transferred to the
23 lessor with respect to the tax paid by the lessor for any
24 amount received by the lessor from the lessee for the leased
25 vehicle that is not calculated at the time the lease is
26 executed; provided that the discount is only allowed if the

1 return is timely filed and for amounts timely paid. The
2 "selling price" of a motor vehicle that is sold on or after
3 January 1, 2015 for the purpose of leasing for a defined period
4 of longer than one year shall not be reduced by the value of or
5 credit given for traded-in tangible personal property owned by
6 the lessor, nor shall it be reduced by the value of or credit
7 given for traded-in tangible personal property owned by the
8 lessee, regardless of whether the trade-in value thereof is
9 assigned by the lessee to the lessor. In the case of a motor
10 vehicle that is sold for the purpose of leasing for a defined
11 period of longer than one year, the sale occurs at the time of
12 the delivery of the vehicle, regardless of the due date of any
13 lease payments. A lessor who incurs a Retailers' Occupation
14 Tax liability on the sale of a motor vehicle coming off lease
15 may not take a credit against that liability for the Use Tax
16 the lessor paid upon the purchase of the motor vehicle (or for
17 any tax the lessor paid with respect to any amount received by
18 the lessor from the lessee for the leased vehicle that was not
19 calculated at the time the lease was executed) if the selling
20 price of the motor vehicle at the time of purchase was
21 calculated using the definition of "selling price" as defined
22 in this paragraph. Notwithstanding any other provision of this
23 Act to the contrary, lessors shall file all returns and make
24 all payments required under this paragraph to the Department
25 by electronic means in the manner and form as required by the
26 Department. This paragraph does not apply to leases of motor

1 vehicles for which, at the time the lease is entered into, the
2 term of the lease is not a defined period, including leases
3 with a defined initial period with the option to continue the
4 lease on a month-to-month or other basis beyond the initial
5 defined period.

6 The phrase "like kind and character" shall be liberally
7 construed (including, but not limited to, any form of motor
8 vehicle for any form of motor vehicle, or any kind of farm or
9 agricultural implement for any other kind of farm or
10 agricultural implement), while not including a kind of item
11 which, if sold at retail by that retailer, would be exempt from
12 retailers' occupation tax and use tax as an isolated or
13 occasional sale.

14 "Department" means the Department of Revenue.

15 "Person" means any natural individual, firm, partnership,
16 association, joint stock company, joint adventure, public or
17 private corporation, limited liability company, or a receiver,
18 executor, trustee, guardian, or other representative appointed
19 by order of any court.

20 "Retailer" means and includes every person engaged in the
21 business of making sales, including, on and after January 1,
22 2025, leases, at retail as defined in this Section. With
23 respect to leases, a "retailer" also means a "lessor", except
24 as otherwise provided in this Act.

25 A person who holds himself or herself out as being engaged
26 (or who habitually engages) in selling tangible personal

1 property at retail is a retailer hereunder with respect to
2 such sales (and not primarily in a service occupation)
3 notwithstanding the fact that such person designs and produces
4 such tangible personal property on special order for the
5 purchaser and in such a way as to render the property of value
6 only to such purchaser, if such tangible personal property so
7 produced on special order serves substantially the same
8 function as stock or standard items of tangible personal
9 property that are sold at retail.

10 A person whose activities are organized and conducted
11 primarily as a not-for-profit service enterprise, and who
12 engages in selling tangible personal property at retail
13 (whether to the public or merely to members and their guests)
14 is a retailer with respect to such transactions, excepting
15 only a person organized and operated exclusively for
16 charitable, religious or educational purposes either (1) ~~7~~ to
17 the extent of sales by such person to its members, students,
18 patients, l or inmates of tangible personal property to be used
19 primarily for the purposes of such person, or (2) ~~7~~ to the
20 extent of sales by such person of tangible personal property
21 which is not sold or offered for sale by persons organized for
22 profit. The selling of school books and school supplies by
23 schools at retail to students is not "primarily for the
24 purposes of" the school which does such selling. This
25 paragraph does not apply to nor subject to taxation occasional
26 dinners, social, l or similar activities of a person organized

1 and operated exclusively for charitable, religious, or
2 educational purposes, whether or not such activities are open
3 to the public.

4 A person who is the recipient of a grant or contract under
5 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
6 serves meals to participants in the federal Nutrition Program
7 for the Elderly in return for contributions established in
8 amount by the individual participant pursuant to a schedule of
9 suggested fees as provided for in the federal Act is not a
10 retailer under this Act with respect to such transactions.

11 Persons who engage in the business of transferring
12 tangible personal property upon the redemption of trading
13 stamps are retailers hereunder when engaged in such business.

14 The isolated or occasional sale of tangible personal
15 property at retail by a person who does not hold himself out as
16 being engaged (or who does not habitually engage) in selling
17 such tangible personal property at retail or a sale through a
18 bulk vending machine does not make such person a retailer
19 hereunder. However, any person who is engaged in a business
20 which is not subject to the tax imposed by the Retailers'
21 Occupation Tax Act because of involving the sale of or a
22 contract to sell real estate or a construction contract to
23 improve real estate, but who, in the course of conducting such
24 business, transfers tangible personal property to users or
25 consumers in the finished form in which it was purchased, and
26 which does not become real estate, under any provision of a

1 construction contract or real estate sale or real estate sales
2 agreement entered into with some other person arising out of
3 or because of such nontaxable business, is a retailer to the
4 extent of the value of the tangible personal property so
5 transferred. If, in such transaction, a separate charge is
6 made for the tangible personal property so transferred, the
7 value of such property, for the purposes of this Act, is the
8 amount so separately charged, but not less than the cost of
9 such property to the transferor; if no separate charge is
10 made, the value of such property, for the purposes of this Act,
11 is the cost to the transferor of such tangible personal
12 property.

13 "Retailer maintaining a place of business in this State",
14 or any like term, means and includes any of the following
15 retailers:

16 (1) A retailer having or maintaining within this
17 State, directly or by a subsidiary, an office,
18 distribution house, sales house, warehouse, or other place
19 of business, or any agent or other representative
20 operating within this State under the authority of the
21 retailer or its subsidiary, irrespective of whether such
22 place of business or agent or other representative is
23 located here permanently or temporarily, or whether such
24 retailer or subsidiary is licensed to do business in this
25 State. However, the ownership of property that is located
26 at the premises of a printer with which the retailer has

1 contracted for printing and that consists of the final
2 printed product, property that becomes a part of the final
3 printed product, or copy from which the printed product is
4 produced shall not result in the retailer being deemed to
5 have or maintain an office, distribution house, sales
6 house, warehouse, or other place of business within this
7 State.

8 (1.1) A retailer having a contract with a person
9 located in this State under which the person, for a
10 commission or other consideration based upon the sale of
11 tangible personal property by the retailer, directly or
12 indirectly refers potential customers to the retailer by
13 providing to the potential customers a promotional code or
14 other mechanism that allows the retailer to track
15 purchases referred by such persons. Examples of mechanisms
16 that allow the retailer to track purchases referred by
17 such persons include, but are not limited to, the use of a
18 link on the person's Internet website, promotional codes
19 distributed through the person's hand-delivered or mailed
20 material, and promotional codes distributed by the person
21 through radio or other broadcast media. The provisions of
22 this paragraph (1.1) shall apply only if the cumulative
23 gross receipts from sales of tangible personal property by
24 the retailer to customers who are referred to the retailer
25 by all persons in this State under such contracts exceed
26 \$10,000 during the preceding 4 quarterly periods ending on

1 the last day of March, June, September, and December. A
2 retailer meeting the requirements of this paragraph (1.1)
3 shall be presumed to be maintaining a place of business in
4 this State but may rebut this presumption by submitting
5 proof that the referrals or other activities pursued
6 within this State by such persons were not sufficient to
7 meet the nexus standards of the United States Constitution
8 during the preceding 4 quarterly periods.

9 (1.2) Beginning July 1, 2011, a retailer having a
10 contract with a person located in this State under which:

11 (A) the retailer sells the same or substantially
12 similar line of products as the person located in this
13 State and does so using an identical or substantially
14 similar name, trade name, or trademark as the person
15 located in this State; and

16 (B) the retailer provides a commission or other
17 consideration to the person located in this State
18 based upon the sale of tangible personal property by
19 the retailer.

20 The provisions of this paragraph (1.2) shall apply
21 only if the cumulative gross receipts from sales of
22 tangible personal property by the retailer to customers in
23 this State under all such contracts exceed \$10,000 during
24 the preceding 4 quarterly periods ending on the last day
25 of March, June, September, and December.

26 (2) (Blank).

1 (3) (Blank).

2 (4) (Blank).

3 (5) (Blank).

4 (6) (Blank).

5 (7) (Blank).

6 (8) (Blank).

7 (9) Beginning October 1, 2018 and through December 31,
8 2025, a retailer making sales of tangible personal
9 property to purchasers in Illinois from outside of
10 Illinois if:

11 (A) the cumulative gross receipts from sales of
12 tangible personal property to purchasers in Illinois
13 are \$100,000 or more; or

14 (B) the retailer enters into 200 or more separate
15 transactions for the sale of tangible personal
16 property to purchasers in Illinois.

17 The retailer shall determine on a quarterly basis,
18 ending on the last day of March, June, September, and
19 December, whether the retailer ~~he or she~~ meets the
20 threshold ~~criteria~~ of either subparagraph (A) or (B) of
21 this paragraph (9) for the preceding 12-month period. If
22 the retailer meets the threshold of either subparagraph
23 (A) or (B) for a 12-month period, the retailer ~~he or she~~ is
24 considered a retailer maintaining a place of business in
25 this State and is required to collect and remit the tax
26 imposed under this Act and file returns for one year. At

1 the end of that one-year period, the retailer shall
2 determine whether it has ~~he or she~~ met the threshold of
3 either subparagraph (A) or (B) during the preceding
4 12-month period. If the retailer met the threshold
5 ~~criteria~~ in either subparagraph (A) or (B) for the
6 preceding 12-month period, the retailer ~~he or she~~ is
7 considered a retailer maintaining a place of business in
8 this State and is required to collect and remit the tax
9 imposed under this Act and file returns for the subsequent
10 year. If at the end of a one-year period a retailer that
11 was required to collect and remit the tax imposed under
12 this Act determines that it ~~he or she~~ did not meet the
13 threshold in either subparagraph (A) or (B) during the
14 preceding 12-month period, the retailer shall subsequently
15 determine on a quarterly basis, ending on the last day of
16 March, June, September, and December, whether the retailer
17 ~~he or she~~ meets the threshold of either subparagraph (A)
18 or (B) for the preceding 12-month period.

19 (9.1) Beginning January 1, 2026, a retailer making
20 sales of tangible personal property to purchasers in
21 Illinois from outside of Illinois if the cumulative gross
22 receipts from sales of tangible personal property to
23 purchasers in Illinois are \$100,000 or more.

24 The retailer shall determine on a quarterly basis,
25 ending on the last day of March, June, September, and
26 December, whether the retailer meets the threshold in this

1 paragraph (9.1) for the preceding 12-month period. If the
2 retailer meets the threshold for a 12-month period, the
3 retailer is considered a retailer maintaining a place of
4 business in this State and is required to collect and
5 remit the tax imposed under this Act and file returns for
6 one year. At the end of the one-year period, the retailer
7 shall determine whether the retailer met the threshold
8 during the preceding 12-month period. If the retailer met
9 the threshold for the preceding 12-month period, the
10 retailer is considered a retailer maintaining a place of
11 business in this State and is required to collect and
12 remit the tax imposed under this Act and file returns for
13 the subsequent year. If at the end of a one-year period a
14 retailer that was required to collect and remit the tax
15 imposed under this Act determines that the retailer did
16 not meet the threshold during the preceding 12-month
17 period, the retailer shall subsequently determine on a
18 quarterly basis, ending on the last day of March, June,
19 September, and December, whether the retailer meets the
20 threshold for the preceding 12-month period.

21 Beginning January 1, 2020, neither the gross receipts
22 from nor the number of separate transactions for sales of
23 tangible personal property to purchasers in Illinois that
24 a retailer makes through a marketplace facilitator and for
25 which the retailer has received a certification from the
26 marketplace facilitator pursuant to Section 2d of this Act

1 shall be included for purposes of determining whether the
2 retailer ~~he or she~~ has met the thresholds of paragraphs
3 ~~this paragraph~~ (9) or (9.1).

4 (10) Beginning January 1, 2020, a marketplace
5 facilitator that meets a threshold set forth in subsection
6 (b) or (b-5) of Section 2d of this Act.

7 "Bulk vending machine" means a vending machine, containing
8 unsorted confections, nuts, toys, or other items designed
9 primarily to be used or played with by children which, when a
10 coin or coins of a denomination not larger than \$0.50 are
11 inserted, are dispensed in equal portions, at random and
12 without selection by the customer.

13 (Source: P.A. 102-353, eff. 1-1-22; 103-592, eff. 1-1-25;
14 revised 11-22-24.)

15 (35 ILCS 105/2d)

16 Sec. 2d. Marketplace facilitators and marketplace sellers.

17 (a) As used in this Section:

18 "Affiliate" means a person that, with respect to another
19 person: (i) has a direct or indirect ownership interest of
20 more than 5 percent in the other person; or (ii) is related to
21 the other person because a third person, or a group of third
22 persons who are affiliated with each other as defined in this
23 subsection, holds a direct or indirect ownership interest of
24 more than 5% in the related person.

25 "Marketplace" means a physical or electronic place, forum,

1 platform, application, or other method by which a marketplace
2 seller sells or offers to sell items.

3 "Marketplace facilitator" means a person who, pursuant to
4 an agreement with an unrelated third-party marketplace seller,
5 directly or indirectly through one or more affiliates
6 facilitates a retail sale by an unrelated third party
7 marketplace seller by:

8 (1) listing or advertising for sale by the marketplace
9 seller in a marketplace, tangible personal property that
10 is subject to tax under this Act; and

11 (2) either directly or indirectly, through agreements
12 or arrangements with third parties, collecting payment
13 from the customer and transmitting that payment to the
14 marketplace seller regardless of whether the marketplace
15 facilitator receives compensation or other consideration
16 in exchange for its services.

17 "Marketplace seller" means a person that sells or offers
18 to sell tangible personal property through a marketplace
19 operated by an unrelated third-party marketplace facilitator.

20 (b) Beginning on January 1, 2020 and through December 31,
21 2025, a marketplace facilitator who meets either of the
22 following thresholds is considered the retailer for each sale
23 of tangible personal property made through its marketplace:

24 (1) the cumulative gross receipts from sales of
25 tangible personal property to purchasers in Illinois by
26 the marketplace facilitator and by marketplace sellers

1 selling through the marketplace are \$100,000 or more; or

2 (2) the marketplace facilitator and marketplace
3 sellers selling through the marketplace cumulatively enter
4 into 200 or more separate transactions for the sale of
5 tangible personal property to purchasers in Illinois.

6 A marketplace facilitator shall determine on a quarterly
7 basis, ending on the last day of March, June, September, and
8 December, whether the marketplace facilitator ~~he or she~~ meets
9 the threshold of either paragraph (1) or (2) of this
10 subsection (b) for the preceding 12-month period. If the
11 marketplace facilitator meets the threshold of either
12 paragraph (1) or (2) for a 12-month period, the marketplace
13 facilitator ~~he or she~~ is considered a retailer maintaining a
14 place of business in this State and is required to collect and
15 remit the tax imposed under this Act and file returns for one
16 year. At the end of that one-year period, the marketplace
17 facilitator shall determine whether the marketplace
18 facilitator met the threshold of either paragraph (1) or (2)
19 during the preceding 12-month period. If the marketplace
20 facilitator met the threshold in either paragraph (1) or (2)
21 for the preceding 12-month period, the marketplace facilitator
22 ~~he or she~~ is considered a retailer maintaining a place of
23 business in this State and is required to collect and remit the
24 tax imposed under this Act and file returns for the subsequent
25 year. If at the end of a one-year period a marketplace
26 facilitator that was required to collect and remit the tax

1 imposed under this Act determines that the marketplace
2 facilitator ~~he or she~~ did not meet the threshold in either
3 paragraph (1) or (2) during the preceding 12-month period, the
4 marketplace facilitator shall subsequently determine on a
5 quarterly basis, ending on the last day of March, June,
6 September, and December, whether the marketplace facilitator
7 ~~he or she~~ meets the threshold of either paragraph (1) or (2)
8 for the preceding 12-month period.

9 (b-5) Beginning on January 1, 2026, a marketplace
10 facilitator whose cumulative gross receipts from sales of
11 tangible personal property to purchasers in Illinois by the
12 marketplace facilitator and by marketplace sellers selling
13 through the marketplace are \$100,000 or more is considered the
14 retailer for each sale of tangible personal property made
15 through its marketplace.

16 A marketplace facilitator shall determine on a quarterly
17 basis, ending on the last day of March, June, September, and
18 December, whether the marketplace facilitator meets the
19 threshold in this subsection (b-5) for the preceding 12-month
20 period. If the marketplace facilitator meets the threshold for
21 a 12-month period, the marketplace facilitator is considered a
22 retailer maintaining a place of business in this State and is
23 required to collect and remit the tax imposed under this Act
24 and file returns for one year. At the end of the one-year
25 period, the marketplace facilitator shall determine whether
26 the marketplace facilitator met the threshold during the

1 preceding 12-month period. If the marketplace facilitator met
2 the threshold for the preceding 12-month period, the
3 marketplace facilitator is considered a retailer maintaining a
4 place of business in this State and is required to collect and
5 remit the tax imposed under this Act and file returns for the
6 subsequent year. If at the end of a one-year period a
7 marketplace facilitator that was required to collect and remit
8 the tax imposed under this Act determines that the marketplace
9 facilitator did not meet the threshold during the preceding
10 12-month period, the marketplace facilitator shall
11 subsequently determine on a quarterly basis, ending on the
12 last day of March, June, September, and December, whether the
13 marketplace facilitator meets the threshold for the preceding
14 12-month period.

15 (c) Beginning on January 1, 2020 a marketplace facilitator
16 considered to be the retailer pursuant to subsection (b) or
17 (b-5) of this Section is considered the retailer with respect
18 to each sale made through its marketplace and is liable for
19 collecting and remitting the tax under this Act on all such
20 sales. The marketplace facilitator who is considered to be the
21 retailer under subsection (b) or (b-5) for sales made through
22 its marketplace has all the rights and duties, and is required
23 to comply with the same requirements and procedures, as all
24 other retailers maintaining a place of business in this State
25 who are registered or who are required to be registered to
26 collect and remit the tax imposed by this Act with respect to

1 such sales.

2 (d) A marketplace facilitator shall:

3 (1) certify to each marketplace seller that the
4 marketplace facilitator assumes the rights and duties of a
5 retailer under this Act with respect to sales made by the
6 marketplace seller through the marketplace; and

7 (2) collect taxes imposed by this Act as required by
8 Section 3-45 of this Act for sales made through the
9 marketplace.

10 (e) A marketplace seller shall retain books and records
11 for all sales made through a marketplace in accordance with
12 the requirements of Section 11.

13 (f) A marketplace seller shall furnish to the marketplace
14 facilitator information that is necessary for the marketplace
15 facilitator to correctly collect and remit taxes for a retail
16 sale. The information may include a certification that an item
17 being sold is taxable, not taxable, exempt from taxation, or
18 taxable at a specified rate. A marketplace seller shall be
19 held harmless for liability for the tax imposed under this Act
20 when a marketplace facilitator fails to correctly collect and
21 remit tax after having been provided with information by a
22 marketplace seller to correctly collect and remit taxes
23 imposed under this Act.

24 (g) If the marketplace facilitator demonstrates to the
25 satisfaction of the Department that its failure to correctly
26 collect and remit tax on a retail sale resulted from the

1 marketplace facilitator's good faith reliance on incorrect or
2 insufficient information provided by a marketplace seller, it
3 shall be relieved of liability for the tax on that retail sale.
4 In this case, a marketplace seller is liable for any resulting
5 tax due.

6 (h) (Blank).

7 (i) This Section does not affect the tax liability of a
8 purchaser under this Act.

9 (j) (Blank).

10 (k) A marketplace facilitator required to collect taxes
11 imposed under this Section and this Act on retail sales made
12 through its marketplace shall be liable to the Department for
13 such taxes, except when the marketplace facilitator is
14 relieved of the duty to remit such taxes by virtue of having
15 paid to the Department taxes imposed by the Retailers'
16 Occupation Tax Act upon his or her gross receipts from the same
17 transactions.

18 (l) If, for any reason, the Department is prohibited from
19 enforcing the marketplace facilitator's duty under this Act to
20 collect and remit taxes pursuant to this Section, the duty to
21 collect and remit such taxes reverts to the marketplace seller
22 that is a retailer maintaining a place of business in this
23 State pursuant to Section 2.

24 (m) Nothing in this Section affects the obligation of any
25 consumer to remit use tax for any taxable transaction for
26 which a certified service provider acting on behalf of a

1 remote retailer or a marketplace facilitator does not collect
2 and remit the appropriate tax.

3 (Source: P.A. 101-9, eff. 6-5-19; 101-604, eff. 1-1-20.)

4 (35 ILCS 105/22) (from Ch. 120, par. 439.22)

5 Sec. 22. If it is determined that the Department should
6 issue a credit or refund under this Act, the Department may
7 first apply the amount thereof against any amount of tax or
8 penalty or interest due hereunder, or under the Retailers'
9 Occupation Tax Act, the Service Occupation Tax Act, the
10 Service Use Tax Act, or any local occupation or use tax
11 administered by the Department, ~~Section 4 of the Water~~
12 ~~Commission Act of 1985, subsections (b), (c) and (d) of~~
13 ~~Section 5.01 of the Local Mass Transit District Act, or~~
14 ~~subsections (e), (f) and (g) of Section 4.03 of the Regional~~
15 ~~Transportation Authority Act,~~ from the person entitled to such
16 credit or refund. For this purpose, if proceedings are pending
17 to determine whether or not any tax or penalty or interest is
18 due under this Act or under the Retailers' Occupation Tax Act,
19 the Service Occupation Tax Act, the Service Use Tax Act, or any
20 local occupation or use tax administered by the Department,
21 ~~Section 4 of the Water Commission Act of 1985, subsections~~
22 ~~(b), (c) and (d) of Section 5.01 of the Local Mass Transit~~
23 ~~District Act, or subsections (e), (f) and (g) of Section 4.03~~
24 ~~of the Regional Transportation Authority Act,~~ from such
25 person, the Department may withhold issuance of the credit or

1 refund pending the final disposition of such proceedings and
2 may apply such credit or refund against any amount found to be
3 due to the Department as a result of such proceedings. The
4 balance, if any, of the credit or refund shall be issued to the
5 person entitled thereto.

6 Any credit memorandum issued hereunder may be used by the
7 authorized holder thereof to pay any tax or penalty or
8 interest due or to become due under this Act, or under the
9 Retailers' Occupation Tax Act, the Service Occupation Tax Act,
10 the Service Use Tax Act, or any local occupation or use tax
11 administered by the Department, ~~Section 4 of the Water~~
12 ~~Commission Act of 1985, subsections (b), (c) and (d) of~~
13 ~~Section 5.01 of the Local Mass Transit District Act, or~~
14 ~~subsections (e), (f) and (g) of Section 4.03 of the Regional~~
15 ~~Transportation Authority Act,~~ from such holder. Subject to
16 reasonable rules of the Department, a credit memorandum issued
17 hereunder may be assigned by the holder thereof to any other
18 person for use in paying tax or penalty or interest which may
19 be due or become due under this Act, or under the Retailers'
20 Occupation Tax Act, the Service Occupation Tax Act, ~~or~~ the
21 Service Use Tax Act, or any local occupation or use tax
22 administered by the Department, from the assignee.

23 In any case in which there has been an erroneous refund of
24 tax payable under this Act, a notice of tax liability may be
25 issued at any time within 3 years from the making of that
26 refund, or within 5 years from the making of that refund if it

1 appears that any part of the refund was induced by fraud or the
2 misrepresentation of a material fact. The amount of any
3 proposed assessment set forth in the notice shall be limited
4 to the amount of the erroneous refund.

5 (Source: P.A. 91-901, eff. 1-1-01.)

6 Section 10. The Service Use Tax Act is amended by changing
7 Sections 2, 2d, 3-10, and 20 as follows:

8 (35 ILCS 110/2) (from Ch. 120, par. 439.32)

9 Sec. 2. Definitions. In this Act:

10 "Use" means the exercise by any person of any right or
11 power over tangible personal property incident to the
12 ownership of that property, or, on and after January 1, 2025,
13 incident to the possession or control of, the right to possess
14 or control, or a license to use that property through a lease,
15 but does not include the sale or use for demonstration by him
16 of that property in any form as tangible personal property in
17 the regular course of business. "Use" does not mean the
18 interim use of tangible personal property. On and after
19 January 1, 2025, the lease of tangible personal property to a
20 lessee by a serviceman who is subject to tax on lease receipts
21 under this amendatory Act of the 103rd General Assembly does
22 not qualify as demonstration use or interim use of that
23 property. "Use" does not mean the physical incorporation of
24 tangible personal property, as an ingredient or constituent,

1 into other tangible personal property, (a) which is sold in
2 the regular course of business or (b) which the person
3 incorporating such ingredient or constituent therein has
4 undertaken at the time of such purchase to cause to be
5 transported in interstate commerce to destinations outside the
6 State of Illinois.

7 "Lease" means a transfer of the possession or control of,
8 the right to possess or control, or a license to use, but not
9 title to, tangible personal property for a fixed or
10 indeterminate term for consideration, regardless of the name
11 by which the transaction is called. "Lease" does not include a
12 lease entered into merely as a security agreement that does
13 not involve a transfer of possession from the lessor to the
14 lessee.

15 On and after January 1, 2025, the term "sale", when used in
16 this Act with respect to tangible personal property, includes
17 a lease.

18 "Purchased from a serviceman" means the acquisition of the
19 ownership of, the title to, the possession or control of, the
20 right to possess or control, or a license to use, tangible
21 personal property through a sale of service.

22 "Purchaser" means any person who, through a sale of
23 service, acquires the ownership of, the title to, the
24 possession or control of, the right to possess or control, or a
25 license to use, any tangible personal property.

26 "Cost price" means the consideration paid by the

1 serviceman for a purchase, including, on and after January 1,
2 2025, a lease, valued in money, whether paid in money or
3 otherwise, including cash, credits and services, and shall be
4 determined without any deduction on account of the supplier's
5 cost of the property sold or on account of any other expense
6 incurred by the supplier. When a serviceman contracts out part
7 or all of the services required in his sale of service, it
8 shall be presumed that the cost price to the serviceman of the
9 property transferred to him or her by his or her subcontractor
10 is equal to 50% of the subcontractor's charges to the
11 serviceman in the absence of proof of the consideration paid
12 by the subcontractor for the purchase of such property.

13 "Selling price" means the consideration for a sale,
14 including, on and after January 1, 2025, a lease, valued in
15 money whether received in money or otherwise, including cash,
16 credits and service, and shall be determined without any
17 deduction on account of the serviceman's cost of the property
18 sold, the cost of materials used, labor or service cost or any
19 other expense whatsoever, but does not include interest or
20 finance charges which appear as separate items on the bill of
21 sale or sales contract nor charges that are added to prices by
22 sellers on account of the seller's duty to collect, from the
23 purchaser, the tax that is imposed by this Act.

24 "Department" means the Department of Revenue.

25 "Person" means any natural individual, firm, partnership,
26 association, joint stock company, joint venture, public or

1 private corporation, limited liability company, and any
2 receiver, executor, trustee, guardian or other representative
3 appointed by order of any court.

4 "Sale of service" means any transaction except:

5 (1) a retail sale of tangible personal property
6 taxable under the Retailers' Occupation Tax Act or under
7 the Use Tax Act.

8 (2) a sale of tangible personal property for the
9 purpose of resale made in compliance with Section 2c of
10 the Retailers' Occupation Tax Act.

11 (3) except as hereinafter provided, a sale or transfer
12 of tangible personal property as an incident to the
13 rendering of service for or by any governmental body, or
14 for or by any corporation, society, association,
15 foundation or institution organized and operated
16 exclusively for charitable, religious or educational
17 purposes or any not-for-profit corporation, society,
18 association, foundation, institution or organization which
19 has no compensated officers or employees and which is
20 organized and operated primarily for the recreation of
21 persons 55 years of age or older. A limited liability
22 company may qualify for the exemption under this paragraph
23 only if the limited liability company is organized and
24 operated exclusively for educational purposes.

25 (4) (blank).

26 (4a) a sale or transfer of tangible personal property

1 as an incident to the rendering of service for owners or
2 lessors, lessees, or shippers of tangible personal
3 property which is utilized by interstate carriers for hire
4 for use as rolling stock moving in interstate commerce so
5 long as so used by interstate carriers for hire, and
6 equipment operated by a telecommunications provider,
7 licensed as a common carrier by the Federal Communications
8 Commission, which is permanently installed in or affixed
9 to aircraft moving in interstate commerce.

10 (4a-5) on and after July 1, 2003 and through June 30,
11 2004, a sale or transfer of a motor vehicle of the second
12 division with a gross vehicle weight in excess of 8,000
13 pounds as an incident to the rendering of service if that
14 motor vehicle is subject to the commercial distribution
15 fee imposed under Section 3-815.1 of the Illinois Vehicle
16 Code. Beginning on July 1, 2004 and through June 30, 2005,
17 the use in this State of motor vehicles of the second
18 division: (i) with a gross vehicle weight rating in excess
19 of 8,000 pounds; (ii) that are subject to the commercial
20 distribution fee imposed under Section 3-815.1 of the
21 Illinois Vehicle Code; and (iii) that are primarily used
22 for commercial purposes. Through June 30, 2005, this
23 exemption applies to repair and replacement parts added
24 after the initial purchase of such a motor vehicle if that
25 motor vehicle is used in a manner that would qualify for
26 the rolling stock exemption otherwise provided for in this

1 Act. For purposes of this paragraph, "used for commercial
2 purposes" means the transportation of persons or property
3 in furtherance of any commercial or industrial enterprise
4 whether for-hire or not.

5 (5) a sale or transfer of machinery and equipment used
6 primarily in the process of the manufacturing or
7 assembling, either in an existing, an expanded or a new
8 manufacturing facility, of tangible personal property for
9 wholesale or retail sale or lease, whether such sale or
10 lease is made directly by the manufacturer or by some
11 other person, whether the materials used in the process
12 are owned by the manufacturer or some other person, or
13 whether such sale or lease is made apart from or as an
14 incident to the seller's engaging in a service occupation
15 and the applicable tax is a Service Use Tax or Service
16 Occupation Tax, rather than Use Tax or Retailers'
17 Occupation Tax. The exemption provided by this paragraph
18 (5) includes production related tangible personal
19 property, as defined in Section 3-50 of the Use Tax Act,
20 purchased on or after July 1, 2019. The exemption provided
21 by this paragraph (5) does not include machinery and
22 equipment used in (i) the generation of electricity for
23 wholesale or retail sale; (ii) the generation or treatment
24 of natural or artificial gas for wholesale or retail sale
25 that is delivered to customers through pipes, pipelines,
26 or mains; or (iii) the treatment of water for wholesale or

1 retail sale that is delivered to customers through pipes,
2 pipelines, or mains. The provisions of Public Act 98-583
3 are declaratory of existing law as to the meaning and
4 scope of this exemption. The exemption under this
5 paragraph (5) is exempt from the provisions of Section
6 3-75.

7 (5a) the repairing, reconditioning or remodeling, for
8 a common carrier by rail, of tangible personal property
9 which belongs to such carrier for hire, and as to which
10 such carrier receives the physical possession of the
11 repaired, reconditioned or remodeled item of tangible
12 personal property in Illinois, and which such carrier
13 transports, or shares with another common carrier in the
14 transportation of such property, out of Illinois on a
15 standard uniform bill of lading showing the person who
16 repaired, reconditioned or remodeled the property to a
17 destination outside Illinois, for use outside Illinois.

18 (5b) a sale or transfer of tangible personal property
19 which is produced by the seller thereof on special order
20 in such a way as to have made the applicable tax the
21 Service Occupation Tax or the Service Use Tax, rather than
22 the Retailers' Occupation Tax or the Use Tax, for an
23 interstate carrier by rail which receives the physical
24 possession of such property in Illinois, and which
25 transports such property, or shares with another common
26 carrier in the transportation of such property, out of

1 Illinois on a standard uniform bill of lading showing the
2 seller of the property as the shipper or consignor of such
3 property to a destination outside Illinois, for use
4 outside Illinois.

5 (6) until July 1, 2003, a sale or transfer of
6 distillation machinery and equipment, sold as a unit or
7 kit and assembled or installed by the retailer, which
8 machinery and equipment is certified by the user to be
9 used only for the production of ethyl alcohol that will be
10 used for consumption as motor fuel or as a component of
11 motor fuel for the personal use of such user and not
12 subject to sale or resale.

13 (7) at the election for each fiscal year of any
14 serviceman not required to be otherwise registered as a
15 retailer under Section 2a of the Retailers' Occupation Tax
16 Act or, beginning January 1, 2026, any serviceman
17 maintaining a place of business in this State who does not
18 make any retail sales of tangible personal property to
19 purchasers in Illinois, ~~made for each fiscal year~~ sales of
20 service in which the aggregate annual cost price of
21 tangible personal property transferred as an incident to
22 the sales of service is less than 35%, or 75% in the case
23 of servicemen transferring prescription drugs or
24 servicemen engaged in graphic arts production, of the
25 aggregate annual total gross receipts from all sales of
26 service. The purchase of such tangible personal property

1 by the serviceman shall be subject to tax under the
2 Retailers' Occupation Tax Act and the Use Tax Act.
3 However, if a primary serviceman who has made the election
4 described in this paragraph subcontracts service work to a
5 secondary serviceman who has also made the election
6 described in this paragraph, the primary serviceman does
7 not incur a Use Tax liability if the secondary serviceman
8 (i) has paid or will pay Use Tax on his or her cost price
9 of any tangible personal property transferred to the
10 primary serviceman and (ii) certifies that fact in writing
11 to the primary serviceman. Beginning January 1, 2026, this
12 election shall not apply to any sale of service through a
13 marketplace that has met the threshold in subsection (b-5)
14 of Section 2d of this Act. All transactions over such a
15 marketplace shall be subject to the tax imposed under
16 Section 3-10 of this Act.

17 Tangible personal property transferred incident to the
18 completion of a maintenance agreement is exempt from the tax
19 imposed pursuant to this Act.

20 Exemption (5) also includes machinery and equipment used
21 in the general maintenance or repair of such exempt machinery
22 and equipment or for in-house manufacture of exempt machinery
23 and equipment. On and after July 1, 2017, exemption (5) also
24 includes graphic arts machinery and equipment, as defined in
25 paragraph (5) of Section 3-5. The machinery and equipment
26 exemption does not include machinery and equipment used in (i)

1 the generation of electricity for wholesale or retail sale;
2 (ii) the generation or treatment of natural or artificial gas
3 for wholesale or retail sale that is delivered to customers
4 through pipes, pipelines, or mains; or (iii) the treatment of
5 water for wholesale or retail sale that is delivered to
6 customers through pipes, pipelines, or mains. The provisions
7 of Public Act 98-583 are declaratory of existing law as to the
8 meaning and scope of this exemption. For the purposes of
9 exemption (5), each of these terms shall have the following
10 meanings: (1) "manufacturing process" shall mean the
11 production of any article of tangible personal property,
12 whether such article is a finished product or an article for
13 use in the process of manufacturing or assembling a different
14 article of tangible personal property, by procedures commonly
15 regarded as manufacturing, processing, fabricating, or
16 refining which changes some existing material or materials
17 into a material with a different form, use or name. In relation
18 to a recognized integrated business composed of a series of
19 operations which collectively constitute manufacturing, or
20 individually constitute manufacturing operations, the
21 manufacturing process shall be deemed to commence with the
22 first operation or stage of production in the series, and
23 shall not be deemed to end until the completion of the final
24 product in the last operation or stage of production in the
25 series; and further, for purposes of exemption (5),
26 photoprocessing is deemed to be a manufacturing process of

1 tangible personal property for wholesale or retail sale; (2)
2 "assembling process" shall mean the production of any article
3 of tangible personal property, whether such article is a
4 finished product or an article for use in the process of
5 manufacturing or assembling a different article of tangible
6 personal property, by the combination of existing materials in
7 a manner commonly regarded as assembling which results in a
8 material of a different form, use or name; (3) "machinery"
9 shall mean major mechanical machines or major components of
10 such machines contributing to a manufacturing or assembling
11 process; and (4) "equipment" shall include any independent
12 device or tool separate from any machinery but essential to an
13 integrated manufacturing or assembly process; including
14 computers used primarily in a manufacturer's computer assisted
15 design, computer assisted manufacturing (CAD/CAM) system; or
16 any subunit or assembly comprising a component of any
17 machinery or auxiliary, adjunct or attachment parts of
18 machinery, such as tools, dies, jigs, fixtures, patterns and
19 molds; or any parts which require periodic replacement in the
20 course of normal operation; but shall not include hand tools.
21 Equipment includes chemicals or chemicals acting as catalysts
22 but only if the chemicals or chemicals acting as catalysts
23 effect a direct and immediate change upon a product being
24 manufactured or assembled for wholesale or retail sale or
25 lease. The purchaser of such machinery and equipment who has
26 an active resale registration number shall furnish such number

1 to the seller at the time of purchase. The purchaser of such
2 machinery and equipment and tools without an active resale
3 registration number shall prepare a certificate of exemption
4 stating facts establishing the exemption, which certificate
5 shall be available to the Department for inspection or audit.
6 The Department shall prescribe the form of the certificate.

7 Any informal rulings, opinions or letters issued by the
8 Department in response to an inquiry or request for any
9 opinion from any person regarding the coverage and
10 applicability of exemption (5) to specific devices shall be
11 published, maintained as a public record, and made available
12 for public inspection and copying. If the informal ruling,
13 opinion or letter contains trade secrets or other confidential
14 information, where possible the Department shall delete such
15 information prior to publication. Whenever such informal
16 rulings, opinions, or letters contain any policy of general
17 applicability, the Department shall formulate and adopt such
18 policy as a rule in accordance with the provisions of the
19 Illinois Administrative Procedure Act.

20 On and after July 1, 1987, no entity otherwise eligible
21 under exemption (3) of this Section shall make tax-free
22 purchases unless it has an active exemption identification
23 number issued by the Department.

24 The purchase, employment and transfer of such tangible
25 personal property as newsprint and ink for the primary purpose
26 of conveying news (with or without other information) is not a

1 purchase, use or sale of service or of tangible personal
2 property within the meaning of this Act.

3 "Serviceman" means any person who is engaged in the
4 occupation of making sales of service.

5 "Sale at retail" means "sale at retail" as defined in the
6 Retailers' Occupation Tax Act, which, on and after January 1,
7 2025, is defined to include leases.

8 "Supplier" means any person who makes sales of tangible
9 personal property to servicemen for the purpose of resale as
10 an incident to a sale of service.

11 "Serviceman maintaining a place of business in this
12 State", or any like term, means and includes any serviceman:

13 (1) Having ~~having~~ or maintaining within this State,
14 directly or by a subsidiary, an office, distribution
15 house, sales house, warehouse or other place of business,
16 or any agent or other representative operating within this
17 State under the authority of the serviceman or its
18 subsidiary, irrespective of whether such place of business
19 or agent or other representative is located here
20 permanently or temporarily, or whether such serviceman or
21 subsidiary is licensed to do business in this State;

22 (1.1) Having ~~having~~ a contract with a person located
23 in this State under which the person, for a commission or
24 other consideration based on the sale of service by the
25 serviceman, directly or indirectly refers potential
26 customers to the serviceman by providing to the potential

1 customers a promotional code or other mechanism that
2 allows the serviceman to track purchases referred by such
3 persons. Examples of mechanisms that allow the serviceman
4 to track purchases referred by such persons include but
5 are not limited to the use of a link on the person's
6 Internet website, promotional codes distributed through
7 the person's hand-delivered or mailed material, and
8 promotional codes distributed by the person through radio
9 or other broadcast media. The provisions of this paragraph
10 (1.1) shall apply only if the cumulative gross receipts
11 from sales of service by the serviceman to customers who
12 are referred to the serviceman by all persons in this
13 State under such contracts exceed \$10,000 during the
14 preceding 4 quarterly periods ending on the last day of
15 March, June, September, and December; a serviceman meeting
16 the requirements of this paragraph (1.1) shall be presumed
17 to be maintaining a place of business in this State but may
18 rebut this presumption by submitting proof that the
19 referrals or other activities pursued within this State by
20 such persons were not sufficient to meet the nexus
21 standards of the United States Constitution during the
22 preceding 4 quarterly periods;

23 (1.2) Beginning ~~beginning~~ July 1, 2011, having a
24 contract with a person located in this State under which:

25 (A) the serviceman sells the same or substantially
26 similar line of services as the person located in this

1 State and does so using an identical or substantially
2 similar name, trade name, or trademark as the person
3 located in this State; and

4 (B) the serviceman provides a commission or other
5 consideration to the person located in this State
6 based upon the sale of services by the serviceman.

7 The provisions of this paragraph (1.2) shall apply only if
8 the cumulative gross receipts from sales of service by the
9 serviceman to customers in this State under all such
10 contracts exceed \$10,000 during the preceding 4 quarterly
11 periods ending on the last day of March, June, September,
12 and December;

13 (2) (Blank). ~~soliciting orders for tangible personal~~
14 ~~property by means of a telecommunication or television~~
15 ~~shopping system (which utilizes toll free numbers) which~~
16 ~~is intended by the retailer to be broadcast by cable~~
17 ~~television or other means of broadcasting, to consumers~~
18 ~~located in this State;~~

19 (3) (Blank). ~~pursuant to a contract with a broadcaster~~
20 ~~or publisher located in this State, soliciting orders for~~
21 ~~tangible personal property by means of advertising which~~
22 ~~is disseminated primarily to consumers located in this~~
23 ~~State and only secondarily to bordering jurisdictions;~~

24 (4) (Blank). ~~soliciting orders for tangible personal~~
25 ~~property by mail if the solicitations are substantial and~~
26 ~~recurring and if the retailer benefits from any banking,~~

1 ~~financing, debt collection, telecommunication, or~~
2 ~~marketing activities occurring in this State or benefits~~
3 ~~from the location in this State of authorized~~
4 ~~installation, servicing, or repair facilities;~~

5 (5) (Blank). ~~being owned or controlled by the same~~
6 ~~interests which own or control any retailer engaging in~~
7 ~~business in the same or similar line of business in this~~
8 ~~State;~~

9 (6) (Blank). ~~having a franchisee or licensee operating~~
10 ~~under its trade name if the franchisee or licensee is~~
11 ~~required to collect the tax under this Section;~~

12 (7) (Blank). ~~pursuant to a contract with a cable~~
13 ~~television operator located in this State, soliciting~~
14 ~~orders for tangible personal property by means of~~
15 ~~advertising which is transmitted or distributed over a~~
16 ~~cable television system in this State;~~

17 (8) (Blank). ~~engaging in activities in Illinois, which~~
18 ~~activities in the state in which the supply business~~
19 ~~engaging in such activities is located would constitute~~
20 ~~maintaining a place of business in that state; or~~

21 (9) Beginning ~~beginning~~ October 1, 2018, and through
22 December 31, 2025, making sales of service to purchasers
23 in Illinois from outside of Illinois if:

24 (A) the cumulative gross receipts from sales of
25 service to purchasers in Illinois are \$100,000 or
26 more; or

1 (B) the serviceman enters into 200 or more
2 separate transactions for sales of service to
3 purchasers in Illinois.

4 The serviceman shall determine on a quarterly basis,
5 ending on the last day of March, June, September, and
6 December, whether he or she meets the threshold criteria
7 of either subparagraph (A) or (B) of this paragraph (9)
8 for the preceding 12-month period. If the serviceman meets
9 the threshold criteria of either subparagraph (A) or (B)
10 for a 12-month period, he or she is considered a
11 serviceman maintaining a place of business in this State
12 and is required to collect and remit the tax imposed under
13 this Act and file returns for one year. At the end of that
14 one-year period, the serviceman shall determine whether
15 the serviceman met the threshold criteria of either
16 subparagraph (A) or (B) during the preceding 12-month
17 period. If the serviceman met the threshold criteria in
18 either subparagraph (A) or (B) for the preceding 12-month
19 period, he or she is considered a serviceman maintaining a
20 place of business in this State and is required to collect
21 and remit the tax imposed under this Act and file returns
22 for the subsequent year. If at the end of a one-year period
23 a serviceman that was required to collect and remit the
24 tax imposed under this Act determines that he or she did
25 not meet the threshold criteria in either subparagraph (A)
26 or (B) during the preceding 12-month period, the

1 serviceman subsequently shall determine on a quarterly
2 basis, ending on the last day of March, June, September,
3 and December, whether he or she meets the threshold
4 criteria of either subparagraph (A) or (B) for the
5 preceding 12-month period.

6 (9.1) Beginning January 1, 2026, making sales of
7 service to purchasers in Illinois from outside of Illinois
8 if the cumulative gross receipts from sales of service to
9 purchasers in Illinois are \$100,000 or more.

10 The serviceman shall determine on a quarterly basis,
11 ending on the last day of March, June, September, and
12 December, whether the serviceman meets the threshold in
13 this paragraph (9.1) for the preceding 12-month period. If
14 the serviceman meets the threshold for a 12-month period,
15 the serviceman is considered a serviceman maintaining a
16 place of business in this State and is required to collect
17 and remit the tax imposed under this Act and file returns
18 for one year. At the end of the one-year period, the
19 serviceman shall determine whether the serviceman met the
20 threshold during the preceding 12-month period. If the
21 serviceman met the threshold for the preceding 12-month
22 period, the serviceman is considered a serviceman
23 maintaining a place of business in this State and is
24 required to collect and remit the tax imposed under this
25 Act and file returns for the subsequent year. If at the end
26 of a one-year period a serviceman that was required to

1 collect and remit the tax imposed under this Act
2 determines that the serviceman did not meet the threshold
3 during the preceding 12-month period, the serviceman shall
4 subsequently determine on a quarterly basis, ending on the
5 last day of March, June, September, and December, whether
6 the serviceman meets the threshold for the preceding
7 12-month period.

8 Beginning January 1, 2020, neither the gross receipts
9 from nor the number of separate transactions for sales of
10 service to purchasers in Illinois that a serviceman makes
11 through a marketplace facilitator and for which the
12 serviceman has received a certification from the
13 marketplace facilitator pursuant to Section 2d of this Act
14 shall be included for purposes of determining whether he
15 or she has met a threshold ~~the thresholds~~ of ~~this~~
16 paragraph (9) or this paragraph (9.1).

17 (10) Beginning January 1, 2020, a marketplace
18 facilitator that meets a threshold set forth in either
19 subsection (b) or (b-5) of, ~~as defined in~~ Section 2d of
20 this Act.

21 (Source: P.A. 103-592, eff. 1-1-25.)

22 (35 ILCS 110/2d)

23 Sec. 2d. Marketplace facilitators and marketplace
24 servicemen.

25 (a) Definitions. For purposes of this Section:

1 "Affiliate" means a person that, with respect to another
2 person: (i) has a direct or indirect ownership interest of
3 more than 5% in the other person; or (ii) is related to the
4 other person because a third person, or group of third persons
5 who are affiliated with each other as defined in this
6 subsection, holds a direct or indirect ownership interest of
7 more than 5% in the related person.

8 "Marketplace" means a physical or electronic place, forum,
9 platform, application, or other method by which a marketplace
10 serviceman makes or offers to make sales of service.

11 "Marketplace facilitator" means a person who, pursuant to
12 an agreement with an unrelated third-party marketplace
13 serviceman, directly or indirectly through one or more
14 affiliates facilitates sales of service by that unrelated
15 third-party marketplace serviceman through:

16 (1) listing or advertising for sale by the marketplace
17 serviceman in a marketplace, sales of service that are
18 subject to tax under this Act; and

19 (2) either directly or indirectly, through agreements
20 or arrangements with third parties, collecting payment
21 from the customer and transmitting that payment to the
22 marketplace serviceman regardless of whether the
23 marketplace facilitator receives compensation or other
24 consideration in exchange for its services.

25 ~~"Marketplace facilitator" means a person who, pursuant to~~
26 ~~an agreement with a marketplace serviceman, facilitates sales~~

1 ~~of service by that marketplace serviceman. A person~~
2 ~~facilitates a sale of service by, directly or indirectly~~
3 ~~through one or more affiliates, doing both of the following:~~
4 ~~(i) listing or otherwise making available a sale of service of~~
5 ~~the marketplace serviceman through a marketplace owned or~~
6 ~~operated by the marketplace facilitator; and (ii) processing~~
7 ~~sales of service for, or payments for sales of service by,~~
8 ~~marketplace servicemen.~~

9 "Marketplace serviceman" means a person that makes or
10 offers to make a sale of service through a marketplace
11 operated by an unrelated third-party marketplace facilitator.

12 (b) Beginning January 1, 2020~~7~~, and through December 31,
13 2025, a marketplace facilitator who meets either of the
14 following thresholds ~~criteria~~ is considered the serviceman for
15 each sale of service made through its ~~on the~~ marketplace:

16 (1) the cumulative gross receipts from sales of
17 service to purchasers in Illinois by the marketplace
18 facilitator and by marketplace servicemen selling through
19 the marketplace are \$100,000 or more; or

20 (2) the marketplace facilitator and marketplace
21 servicemen selling through the marketplace cumulatively
22 enter into 200 or more separate transactions for the sale
23 of service to purchasers in Illinois.

24 A marketplace facilitator shall determine on a quarterly
25 basis, ending on the last day of March, June, September, and
26 December, whether the marketplace facilitator ~~he or she~~ meets

1 the threshold ~~criteria~~ of either paragraph (1) or (2) of this
2 subsection (b) for the preceding 12-month period. If the
3 marketplace facilitator meets the threshold ~~criteria~~ of either
4 paragraph (1) or (2) for a 12-month period, it ~~he or she~~ is
5 considered a serviceman maintaining a place of business in
6 this State and is required to collect and remit the tax imposed
7 under this Act and file returns for one year. At the end of
8 that one-year period, the marketplace facilitator shall
9 determine whether the marketplace facilitator met the
10 threshold ~~criteria~~ of either paragraph (1) or (2) during the
11 preceding 12-month period. If the marketplace facilitator met
12 the threshold ~~criteria~~ in either paragraph (1) or (2) for the
13 preceding 12-month period, it ~~he or she~~ is considered a
14 serviceman maintaining a place of business in this State and
15 is required to collect and remit the tax imposed under this Act
16 and file returns for the subsequent year. If, at the end of a
17 one-year period, a marketplace facilitator that was required
18 to collect and remit the tax imposed under this Act determines
19 that it ~~he or she~~ did not meet the threshold ~~criteria~~ in either
20 paragraph (1) or (2) during the preceding 12-month period, the
21 marketplace facilitator shall subsequently determine on a
22 quarterly basis, ending on the last day of March, June,
23 September, and December, whether it ~~he or she~~ meets the
24 threshold ~~criteria~~ of either paragraph (1) or (2) for the
25 preceding 12-month period.

26 (b-5) Beginning on January 1, 2026, a marketplace

1 facilitator whose cumulative gross receipts from sales of
2 service to purchasers in Illinois by the marketplace
3 facilitator and by marketplace servicemen selling through the
4 marketplace are \$100,000 or more is engaged in the business of
5 making sales of service in Illinois for purposes of this Act
6 for each sale of service made through the marketplace.

7 A marketplace facilitator shall determine on a quarterly
8 basis, ending on the last day of March, June, September, and
9 December, whether the marketplace facilitator meets the
10 threshold in this subsection (b-5) for the preceding 12-month
11 period. If the marketplace facilitator meets the threshold for
12 a 12-month period, the marketplace facilitator is considered a
13 serviceman maintaining a place of business in this State and
14 is required to collect and remit the tax imposed under this Act
15 and file returns for one year. At the end of the one-year
16 period, the marketplace facilitator shall determine whether
17 the marketplace facilitator met the threshold during the
18 preceding 12-month period. If the marketplace facilitator met
19 the threshold for the preceding 12-month period, the
20 marketplace facilitator is considered a serviceman maintaining
21 a place of business in this State and is required to collect
22 and remit the tax imposed under this Act and file returns for
23 the subsequent year. If at the end of a one-year period a
24 marketplace facilitator that was required to collect and remit
25 the tax imposed under this Act determines that the marketplace
26 facilitator did not meet the threshold during the preceding

1 12-month period, the marketplace facilitator shall
2 subsequently determine on a quarterly basis, ending on the
3 last day of March, June, September, and December, whether it
4 meets the threshold for the preceding 12-month period.

5 (c) A marketplace facilitator considered to be the
6 serviceman pursuant to ~~that meets either of the thresholds in~~
7 subsection (b) or, beginning January 1, 2026, subsection (b-5)
8 of this Section is considered the serviceman for each sale of
9 service made through its marketplace and is liable for
10 collecting and remitting the tax under this Act on all such
11 sales. The marketplace facilitator has all the rights and
12 duties, and is required to comply with the same requirements
13 and procedures, as all other servicemen maintaining a place of
14 business in this State who are registered or who are required
15 to be registered to collect and remit the tax imposed by this
16 Act with respect to such sales.

17 (d) A marketplace facilitator shall:

18 (1) certify to each marketplace serviceman that the
19 marketplace facilitator assumes the rights and duties of a
20 serviceman under this Act with respect to sales of service
21 made by the marketplace serviceman through the
22 marketplace; and

23 (2) collect taxes imposed by this Act as required by
24 Section 3-40 of this Act for sales of service made through
25 the marketplace.

26 (e) A marketplace serviceman shall retain books and

1 records for all sales of service made through a marketplace in
2 accordance with the requirements of Section 11.

3 (f) A marketplace serviceman shall furnish to the
4 marketplace facilitator information that is necessary for the
5 marketplace facilitator to correctly collect and remit taxes
6 for a sale of service. Such information includes the cost
7 price of any item transferred incident to a sale of service
8 under this Act when the cost price of an item exceeds 50% of
9 the entire billing to the service customer of a sale of service
10 made through the marketplace. The information may include a
11 certification that an item transferred incident to a sale of
12 service under this Act is taxable, not taxable, exempt from
13 taxation, or taxable at a specified rate. A marketplace
14 serviceman shall be held harmless for liability for the tax
15 imposed under this Act when a marketplace facilitator fails to
16 correctly collect and remit tax after having been provided
17 with information by a marketplace serviceman to correctly
18 collect and remit taxes imposed under this Act.

19 (g) ~~If Except as provided in subsection (h),~~ if the
20 marketplace facilitator demonstrates to the satisfaction of
21 the Department that its failure to correctly collect and remit
22 tax on a sale of service resulted from the marketplace
23 facilitator's good faith reliance on incorrect or insufficient
24 information provided by a marketplace serviceman, it shall be
25 relieved of liability for the tax on that sale of service. In
26 this case, a marketplace serviceman is liable for any

1 resulting tax due.

2 (h) (Blank). ~~A marketplace facilitator and marketplace~~
3 ~~serviceman that are affiliates, as defined by subsection (a),~~
4 ~~are jointly and severally liable for tax liability resulting~~
5 ~~from a sale of service made by the affiliated marketplace~~
6 ~~serviceman through the marketplace.~~

7 (i) This Section does not affect the tax liability of a
8 purchaser under this Act.

9 (j) (Blank). ~~The Department may adopt rules for the~~
10 ~~administration and enforcement of the provisions of this~~
11 ~~Section.~~

12 (k) A marketplace facilitator required to collect taxes
13 imposed under this Section and this Act on sales of service
14 made through its marketplace shall be liable to the Department
15 for such taxes, except when the marketplace facilitator is
16 relieved of the duty to remit such taxes by virtue of having
17 paid to the Department taxes imposed by the Service Occupation
18 Tax Act from the same transactions.

19 (l) If, for any reason, the Department is prohibited from
20 enforcing the marketplace facilitator's duty under this Act to
21 collect and remit taxes pursuant to this Section, the duty to
22 collect and remit such taxes reverts to the marketplace
23 serviceman that is a serviceman maintaining a place of
24 business in this State pursuant to Section 2.

25 (m) Nothing in this Section affects the obligation of any
26 consumer to remit service use tax for any taxable transaction

1 for which a certified service provider acting on behalf of a
2 serviceman maintaining a place of business in this State or a
3 marketplace facilitator does not collect and remit the
4 appropriate tax.

5 (Source: P.A. 101-9, eff. 6-5-19.)

6 (35 ILCS 110/3-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 the selling price of tangible personal property transferred,
10 including, on and after January 1, 2025, transferred by lease,
11 as an incident to the sale of service, but, for the purpose of
12 computing this tax, in no event shall the selling price be less
13 than the cost price of the property to the serviceman.

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

18 With respect to gasohol, as defined in the Use Tax Act, the
19 tax imposed by this Act applies to (i) 70% of the selling price
20 of property transferred as an incident to the sale of service
21 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
22 of the selling price of property transferred as an incident to
23 the sale of service on or after July 1, 2003 and on or before
24 July 1, 2017, (iii) 100% of the selling price of property
25 transferred as an incident to the sale of service after July 1,

1 2017 and before January 1, 2024, (iv) 90% of the selling price
2 of property transferred as an incident to the sale of service
3 on or after January 1, 2024 and on or before December 31, 2028,
4 and (v) 100% of the selling price of property transferred as an
5 incident to the sale of service after December 31, 2028. If, at
6 any time, however, the tax under this Act on sales of gasohol,
7 as defined in the Use Tax Act, is imposed at the rate of 1.25%,
8 then the tax imposed by this Act applies to 100% of the
9 proceeds of sales of gasohol made during that time.

10 With respect to mid-range ethanol blends, as defined in
11 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
12 applies to (i) 80% of the selling price of property
13 transferred as an incident to the sale of service on or after
14 January 1, 2024 and on or before December 31, 2028 and (ii)
15 100% of the selling price of property transferred as an
16 incident to the sale of service after December 31, 2028. If, at
17 any 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 selling price of
20 mid-range ethanol blends transferred as an incident to the
21 sale of service during that time.

22 With respect to majority blended ethanol fuel, as defined
23 in the Use Tax Act, the tax imposed by this Act does not apply
24 to the selling price of property transferred as an incident to
25 the sale of service on or after July 1, 2003 and on or before
26 December 31, 2028 but applies to 100% of the selling price

1 thereafter.

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

18 With respect to biodiesel, as defined in the Use Tax Act,
19 and biodiesel blends, as defined in the Use Tax Act, with more
20 than 10% but no more than 99% biodiesel, the tax imposed by
21 this Act does not apply to the proceeds of the selling price of
22 property transferred as an incident to the sale of service on
23 or after July 1, 2003 and on or before December 31, 2023. On
24 and after January 1, 2024 and on or before December 31, 2030,
25 the taxation of biodiesel, renewable diesel, and biodiesel
26 blends shall be as provided in Section 3-5.1 of the Use Tax

1 Act.

2 At the election of any registered serviceman made for each
3 fiscal year, for whom sales of service in which the aggregate
4 annual cost price of tangible personal property transferred as
5 an incident to the sales of service is less than 35%, or 75% in
6 the case of servicemen transferring prescription drugs or
7 servicemen engaged in graphic arts production, of the
8 aggregate annual total gross receipts from all sales of
9 service, the tax imposed by this Act shall be based on the
10 serviceman's cost price of the tangible personal property
11 transferred as an incident to the sale of those services. This
12 election may also be made by any serviceman maintaining a
13 place of business in this State who makes retail sales from
14 outside of this State to Illinois customers but is not
15 required to be registered under Section 2a of the Retailers'
16 Occupation Tax Act. Beginning January 1, 2026, this election
17 shall not apply to any sale of service made through a
18 marketplace that has met the threshold in subsection (b-5) of
19 Section 2d of this Act.

20 Beginning January 1, 2026, the tax shall be imposed at the
21 rate of 6.25% of 50% of the entire billing to the service
22 customer for all sales of service made through a marketplace
23 that has met the threshold in subsection (b-5) of Section 2d of
24 this Act. In no event shall 50% of the entire billing be less
25 than the cost price of the property to the marketplace
26 serviceman or the marketplace facilitator on its own sales of

1 service.

2 Until July 1, 2022 and from July 1, 2023 through December
3 31, 2025, the tax shall be imposed at the rate of 1% on food
4 prepared for immediate consumption and transferred incident to
5 a sale of service subject to this Act or the Service Occupation
6 Tax Act by an entity licensed under the Hospital Licensing
7 Act, the Nursing Home Care Act, the Assisted Living and Shared
8 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
9 Specialized Mental Health Rehabilitation Act of 2013, or the
10 Child Care Act of 1969, or an entity that holds a permit issued
11 pursuant to the Life Care Facilities Act. Until July 1, 2022
12 and from July 1, 2023 through December 31, 2025, the tax shall
13 also be imposed at the rate of 1% on food for human consumption
14 that is to be consumed off the premises where it is sold (other
15 than alcoholic beverages, food consisting of or infused with
16 adult use cannabis, soft drinks, and food that has been
17 prepared for immediate consumption and is not otherwise
18 included in this paragraph).

19 Beginning on July 1, 2022 and until July 1, 2023, the tax
20 shall be imposed at the rate of 0% on food prepared for
21 immediate consumption and transferred incident to a sale of
22 service subject to this Act or the Service Occupation Tax Act
23 by an entity licensed under the Hospital Licensing Act, the
24 Nursing Home Care Act, the Assisted Living and Shared Housing
25 Act, the ID/DD Community Care Act, the MC/DD Act, the
26 Specialized Mental Health Rehabilitation Act of 2013, or the

1 Child Care Act of 1969, or an entity that holds a permit issued
2 pursuant to the Life Care Facilities Act. Beginning on July 1,
3 2022 and until July 1, 2023, the tax shall also be imposed at
4 the rate of 0% on 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, and food that has been prepared for
8 immediate consumption and is not otherwise included in this
9 paragraph).

10 On and ~~an~~ after January 1, 2026, food prepared for
11 immediate consumption and transferred incident to a sale of
12 service subject to this Act or the Service Occupation Tax Act
13 by an entity licensed under the Hospital Licensing Act, the
14 Nursing Home Care Act, the Assisted Living and Shared Housing
15 Act, the ID/DD Community Care Act, the MC/DD Act, the
16 Specialized Mental Health Rehabilitation Act of 2013, or the
17 Child Care Act of 1969, or by an entity that holds a permit
18 issued pursuant to the Life Care Facilities Act is exempt from
19 the tax under this Act. On and after January 1, 2026, food for
20 human consumption that is to be consumed off the premises
21 where it is sold (other than alcoholic beverages, food
22 consisting of or infused with adult use cannabis, soft drinks,
23 candy, and food that has been prepared for immediate
24 consumption and is not otherwise included in this paragraph)
25 is exempt from the tax under this Act.

26 The tax shall be imposed at the rate of 1% on prescription

1 and nonprescription medicines, drugs, medical appliances,
2 products classified as Class III medical devices by the United
3 States Food and Drug Administration that are used for cancer
4 treatment pursuant to a prescription, as well as any
5 accessories and components related to those devices,
6 modifications to a motor vehicle for the purpose of rendering
7 it usable by a person with a disability, and insulin, blood
8 sugar testing materials, syringes, and needles used by human
9 diabetics. For the purposes of this Section, until September
10 1, 2009: the term "soft drinks" means any complete, finished,
11 ready-to-use, non-alcoholic drink, whether carbonated or not,
12 including, but not limited to, soda water, cola, fruit juice,
13 vegetable juice, carbonated water, and all other preparations
14 commonly known as soft drinks of whatever kind or description
15 that are contained in any closed or sealed bottle, can,
16 carton, or container, regardless of size; but "soft drinks"
17 does not include coffee, tea, non-carbonated water, infant
18 formula, milk or milk products as defined in the Grade A
19 Pasteurized Milk and Milk Products Act, or drinks containing
20 50% or more natural fruit or vegetable juice.

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

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

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

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

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

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

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

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

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

23 If the property that is acquired from a serviceman is
24 acquired outside Illinois and used outside Illinois before
25 being brought to Illinois for use here and is taxable under
26 this Act, the "selling price" on which the tax is computed

1 shall be reduced by an amount that represents a reasonable
2 allowance for depreciation for the period of prior
3 out-of-state use. No depreciation is allowed in cases where
4 the tax under this Act is imposed on lease receipts.

5 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;
6 102-700, Article 20, Section 20-10, eff. 4-19-22; 102-700,
7 Article 60, Section 60-20, eff. 4-19-22; 103-9, eff. 6-7-23;
8 103-154, eff. 6-30-23; 103-592, eff. 1-1-25; 103-781, eff.
9 8-5-24; revised 11-26-24.)

10 (35 ILCS 110/20) (from Ch. 120, par. 439.50)

11 Sec. 20. If it is determined that the Department should
12 issue a credit or refund hereunder, the Department may first
13 apply the amount thereof against any amount of tax or penalty
14 or interest due hereunder, or under the Service Occupation Tax
15 Act, the Retailers' Occupation Tax Act, the Use Tax Act, or any
16 local occupation or use tax administered by the Department,
17 ~~Section 4 of the Water Commission Act of 1985, subsections~~
18 ~~(b), (c) and (d) of Section 5.01 of the Local Mass Transit~~
19 ~~District Act, or subsections (c), (f) and (g) of Section 4.03~~
20 ~~of the Regional Transportation Authority Act,~~ from the person
21 entitled to such credit or refund. For this purpose, if
22 proceedings are pending to determine whether or not any tax or
23 penalty or interest is due hereunder, or under the Service
24 Occupation Tax Act, the Retailers' Occupation Tax Act, the Use
25 Tax Act, or any local occupation or use tax administered by the

1 Department, ~~Section 4 of the Water Commission Act of 1985,~~
2 ~~subsections (b), (c) and (d) of Section 5.01 of the Local Mass~~
3 ~~Transit District Act, or subsections (e), (f) and (g) of~~
4 ~~Section 4.03 of the Regional Transportation Authority Act,~~
5 from such person, the Department may withhold issuance of the
6 credit or refund pending the final disposition of such
7 proceedings and may apply such credit or refund against any
8 amount found to be due to the Department as a result of such
9 proceedings. The balance, if any, of the credit or refund
10 shall be issued to the person entitled thereto.

11 Any credit memorandum issued hereunder may be used by the
12 authorized holder thereof to pay any tax or penalty or
13 interest due or to become due under this Act, or under the
14 Service Occupation Tax Act, the Retailers' Occupation Tax Act,
15 the Use Tax Act, or any local occupation or use tax
16 administered by the Department, ~~Section 4 of the Water~~
17 ~~Commission Act of 1985, subsections (b), (c) and (d) of~~
18 ~~Section 5.01 of the Local Mass Transit District Act, or~~
19 ~~subsections (e), (f) and (g) of Section 4.03 of the Regional~~
20 ~~Transportation Authority Act,~~ from such holder. Subject to
21 reasonable rules of the Department, a credit memorandum issued
22 hereunder may be assigned by the holder thereof to any other
23 person for use in paying tax or penalty or interest which may
24 be due or become due under this Act, or under the Service
25 Occupation Tax Act, the Retailers' Occupation Tax Act, the Use
26 Tax Act, or any local occupation or use tax administered by the

1 Department, ~~Section 4 of the Water Commission Act of 1985,~~
2 ~~subsections (b), (c) and (d) of Section 5.01 of the Local Mass~~
3 ~~Transit District Act, or subsections (e), (f) and (g) of~~
4 ~~Section 4.03 of the Regional Transportation Authority Act,~~
5 from the assignee.

6 In any case which there has been an erroneous refund of tax
7 payable under this Act, a notice of tax liability may be issued
8 at any time within 3 years from the making of that refund, or
9 within 5 years from the making of that refund if it appears
10 that any part of the refund was induced by fraud or the
11 misrepresentation of a material fact. The amount of any
12 proposed assessment set forth in the notice shall be limited
13 to the amount of the erroneous refund.

14 (Source: P.A. 91-901, eff. 1-1-01.)

15 Section 15. The Service Occupation Tax Act is amended by
16 changing Sections 2, 3, 3-10, 9, and 20 as follows:

17 (35 ILCS 115/2) (from Ch. 120, par. 439.102)

18 Sec. 2. In this Act:

19 "Transfer" means any transfer of the title to property or
20 of the ownership of property whether or not the transferor
21 retains title as security for the payment of amounts due him
22 from the transferee. On and after January 1, 2025, "transfer"
23 also means any transfer of the possession or control of, the
24 right to possess or control, or a license to use, but not title

1 to, tangible personal property.

2 "Lease" means a transfer of the possession or control of,
3 the right to possess or control, or a license to use, but not
4 title to, tangible personal property for a fixed or
5 indeterminate term for consideration, regardless of the name
6 by which the transaction is called. "Lease" does not include a
7 lease entered into merely as a security agreement that does
8 not involve a transfer of possession or control from the
9 lessor to the lessee.

10 On and after January 1, 2025, the term "sale", when used in
11 this Act with respect to tangible personal property, includes
12 a lease.

13 "Cost Price" means the consideration paid by the
14 serviceman for a purchase, including, on and after January 1,
15 2025, a lease, valued in money, whether paid in money or
16 otherwise, including cash, credits and services, and shall be
17 determined without any deduction on account of the supplier's
18 cost of the property sold or on account of any other expense
19 incurred by the supplier. When a serviceman contracts out part
20 or all of the services required in his sale of service, it
21 shall be presumed that the cost price to the serviceman of the
22 property transferred to him by his or her subcontractor is
23 equal to 50% of the subcontractor's charges to the serviceman
24 in the absence of proof of the consideration paid by the
25 subcontractor for the purchase of such property.

26 "Department" means the Department of Revenue.

1 "Person" means any natural individual, firm, partnership,
2 association, joint stock company, joint venture, public or
3 private corporation, limited liability company, and any
4 receiver, executor, trustee, guardian or other representative
5 appointed by order of any court.

6 "Sale of Service" means any transaction except:

7 (a) A retail sale of tangible personal property taxable
8 under the Retailers' Occupation Tax Act or under the Use Tax
9 Act.

10 (b) A sale of tangible personal property for the purpose
11 of resale made in compliance with Section 2c of the Retailers'
12 Occupation Tax Act.

13 (c) Except as hereinafter provided, a sale or transfer of
14 tangible personal property as an incident to the rendering of
15 service for or by any governmental body or for or by any
16 corporation, society, association, foundation or institution
17 organized and operated exclusively for charitable, religious
18 or educational purposes or any not-for-profit corporation,
19 society, association, foundation, institution or organization
20 which has no compensated officers or employees and which is
21 organized and operated primarily for the recreation of persons
22 55 years of age or older. A limited liability company may
23 qualify for the exemption under this paragraph only if the
24 limited liability company is organized and operated
25 exclusively for educational purposes.

26 (d) (Blank).

1 (d-1) A sale or transfer of tangible personal property as
2 an incident to the rendering of service for owners or lessors,
3 lessees, or shippers of tangible personal property which is
4 utilized by interstate carriers for hire for use as rolling
5 stock moving in interstate commerce, and equipment operated by
6 a telecommunications provider, licensed as a common carrier by
7 the Federal Communications Commission, which is permanently
8 installed in or affixed to aircraft moving in interstate
9 commerce.

10 (d-1.1) On and after July 1, 2003 and through June 30,
11 2004, a sale or transfer of a motor vehicle of the second
12 division with a gross vehicle weight in excess of 8,000 pounds
13 as an incident to the rendering of service if that motor
14 vehicle is subject to the commercial distribution fee imposed
15 under Section 3-815.1 of the Illinois Vehicle Code. Beginning
16 on July 1, 2004 and through June 30, 2005, the use in this
17 State of motor vehicles of the second division: (i) with a
18 gross vehicle weight rating in excess of 8,000 pounds; (ii)
19 that are subject to the commercial distribution fee imposed
20 under Section 3-815.1 of the Illinois Vehicle Code; and (iii)
21 that are primarily used for commercial purposes. Through June
22 30, 2005, this exemption applies to repair and replacement
23 parts added after the initial purchase of such a motor vehicle
24 if that motor vehicle is used in a manner that would qualify
25 for the rolling stock exemption otherwise provided for in this
26 Act. For purposes of this paragraph, "used for commercial

1 purposes" means the transportation of persons or property in
2 furtherance of any commercial or industrial enterprise whether
3 for-hire or not.

4 (d-2) The repairing, reconditioning or remodeling, for a
5 common carrier by rail, of tangible personal property which
6 belongs to such carrier for hire, and as to which such carrier
7 receives the physical possession of the repaired,
8 reconditioned or remodeled item of tangible personal property
9 in Illinois, and which such carrier transports, or shares with
10 another common carrier in the transportation of such property,
11 out of Illinois on a standard uniform bill of lading showing
12 the person who repaired, reconditioned or remodeled the
13 property as the shipper or consignor of such property to a
14 destination outside Illinois, for use outside Illinois.

15 (d-3) A sale or transfer of tangible personal property
16 which is produced by the seller thereof on special order in
17 such a way as to have made the applicable tax the Service
18 Occupation Tax or the Service Use Tax, rather than the
19 Retailers' Occupation Tax or the Use Tax, for an interstate
20 carrier by rail which receives the physical possession of such
21 property in Illinois, and which transports such property, or
22 shares with another common carrier in the transportation of
23 such property, out of Illinois on a standard uniform bill of
24 lading showing the seller of the property as the shipper or
25 consignor of such property to a destination outside Illinois,
26 for use outside Illinois.

1 (d-4) Until January 1, 1997, a sale, by a registered
2 serviceman paying tax under this Act to the Department, of
3 special order printed materials delivered outside Illinois and
4 which are not returned to this State, if delivery is made by
5 the seller or agent of the seller, including an agent who
6 causes the product to be delivered outside Illinois by a
7 common carrier or the U.S. postal service.

8 (e) A sale or transfer of machinery and equipment used
9 primarily in the process of the manufacturing or assembling,
10 either in an existing, an expanded or a new manufacturing
11 facility, of tangible personal property for wholesale or
12 retail sale or lease, whether such sale or lease is made
13 directly by the manufacturer or by some other person, whether
14 the materials used in the process are owned by the
15 manufacturer or some other person, or whether such sale or
16 lease is made apart from or as an incident to the seller's
17 engaging in a service occupation and the applicable tax is a
18 Service Occupation Tax or Service Use Tax, rather than
19 Retailers' Occupation Tax or Use Tax. The exemption provided
20 by this paragraph (e) includes production related tangible
21 personal property, as defined in Section 3-50 of the Use Tax
22 Act, purchased on or after July 1, 2019. The exemption
23 provided by this paragraph (e) does not include machinery and
24 equipment used in (i) the generation of electricity for
25 wholesale or retail sale; (ii) the generation or treatment of
26 natural or artificial gas for wholesale or retail sale that is

1 delivered to customers through pipes, pipelines, or mains; or
2 (iii) the treatment of water for wholesale or retail sale that
3 is delivered to customers through pipes, pipelines, or mains.
4 The provisions of Public Act 98-583 are declaratory of
5 existing law as to the meaning and scope of this exemption. The
6 exemption under this subsection (e) is exempt from the
7 provisions of Section 3-75.

8 (f) Until July 1, 2003, the sale or transfer of
9 distillation machinery and equipment, sold as a unit or kit
10 and assembled or installed by the retailer, which machinery
11 and equipment is certified by the user to be used only for the
12 production of ethyl alcohol that will be used for consumption
13 as motor fuel or as a component of motor fuel for the personal
14 use of such user and not subject to sale or resale.

15 (g) At the election of (i) any serviceman not required to
16 be otherwise registered as a retailer under Section 2a of the
17 Retailers' Occupation Tax Act; or (ii) beginning January 1,
18 2026, any servicemen maintaining a place of business in this
19 State who does not make any retail sales of tangible personal
20 property to purchasers in Illinois, made for each fiscal year,
21 sales of service in which the aggregate annual cost price of
22 tangible personal property transferred as an incident to the
23 sales of service is less than 35% (75% in the case of
24 servicemen transferring prescription drugs or servicemen
25 engaged in graphic arts production) of the aggregate annual
26 total gross receipts from all sales of service. The purchase

1 of such tangible personal property by the serviceman shall be
2 subject to tax under the Retailers' Occupation Tax Act and the
3 Use Tax Act. However, if a primary serviceman who has made the
4 election described in this paragraph subcontracts service work
5 to a secondary serviceman who has also made the election
6 described in this paragraph, the primary serviceman does not
7 incur a Use Tax liability if the secondary serviceman (i) has
8 paid or will pay Use Tax on his or her cost price of any
9 tangible personal property transferred to the primary
10 serviceman and (ii) certifies that fact in writing to the
11 primary serviceman. Beginning January 1, 2026, this election
12 shall not apply to any sale of service through a marketplace
13 that has met the threshold in subsection (d) of Section 3 of
14 this Act. All transactions over such a marketplace shall be
15 subject to the tax imposed under Section 3-10 of this Act.

16 Tangible personal property transferred incident to the
17 completion of a maintenance agreement is exempt from the tax
18 imposed pursuant to this Act.

19 Exemption (e) also includes machinery and equipment used
20 in the general maintenance or repair of such exempt machinery
21 and equipment or for in-house manufacture of exempt machinery
22 and equipment. On and after July 1, 2017, exemption (e) also
23 includes graphic arts machinery and equipment, as defined in
24 paragraph (5) of Section 3-5. The machinery and equipment
25 exemption does not include machinery and equipment used in (i)
26 the generation of electricity for wholesale or retail sale;

1 (ii) the generation or treatment of natural or artificial gas
2 for wholesale or retail sale that is delivered to customers
3 through pipes, pipelines, or mains; or (iii) the treatment of
4 water for wholesale or retail sale that is delivered to
5 customers through pipes, pipelines, or mains. The provisions
6 of Public Act 98-583 are declaratory of existing law as to the
7 meaning and scope of this exemption. For the purposes of
8 exemption (e), each of these terms shall have the following
9 meanings: (1) "manufacturing process" shall mean the
10 production of any article of tangible personal property,
11 whether such article is a finished product or an article for
12 use in the process of manufacturing or assembling a different
13 article of tangible personal property, by procedures commonly
14 regarded as manufacturing, processing, fabricating, or
15 refining which changes some existing material or materials
16 into a material with a different form, use or name. In relation
17 to a recognized integrated business composed of a series of
18 operations which collectively constitute manufacturing, or
19 individually constitute manufacturing operations, the
20 manufacturing process shall be deemed to commence with the
21 first operation or stage of production in the series, and
22 shall not be deemed to end until the completion of the final
23 product in the last operation or stage of production in the
24 series; and further for purposes of exemption (e),
25 photoprocessing is deemed to be a manufacturing process of
26 tangible personal property for wholesale or retail sale; (2)

1 "assembling process" shall mean the production of any article
2 of tangible personal property, whether such article is a
3 finished product or an article for use in the process of
4 manufacturing or assembling a different article of tangible
5 personal property, by the combination of existing materials in
6 a manner commonly regarded as assembling which results in a
7 material of a different form, use or name; (3) "machinery"
8 shall mean major mechanical machines or major components of
9 such machines contributing to a manufacturing or assembling
10 process; and (4) "equipment" shall include any independent
11 device or tool separate from any machinery but essential to an
12 integrated manufacturing or assembly process; including
13 computers used primarily in a manufacturer's computer assisted
14 design, computer assisted manufacturing (CAD/CAM) system; or
15 any subunit or assembly comprising a component of any
16 machinery or auxiliary, adjunct or attachment parts of
17 machinery, such as tools, dies, jigs, fixtures, patterns and
18 molds; or any parts which require periodic replacement in the
19 course of normal operation; but shall not include hand tools.
20 Equipment includes chemicals or chemicals acting as catalysts
21 but only if the chemicals or chemicals acting as catalysts
22 effect a direct and immediate change upon a product being
23 manufactured or assembled for wholesale or retail sale or
24 lease. The purchaser of such machinery and equipment who has
25 an active resale registration number shall furnish such number
26 to the seller at the time of purchase. The purchaser of such

1 machinery and equipment and tools without an active resale
2 registration number shall furnish to the seller a certificate
3 of exemption stating facts establishing the exemption, which
4 certificate shall be available to the Department for
5 inspection or audit.

6 Except as provided in Section 2d of this Act, the rolling
7 stock exemption applies to rolling stock used by an interstate
8 carrier for hire, even just between points in Illinois, if
9 such rolling stock transports, for hire, persons whose
10 journeys or property whose shipments originate or terminate
11 outside Illinois.

12 Any informal rulings, opinions or letters issued by the
13 Department in response to an inquiry or request for any
14 opinion from any person regarding the coverage and
15 applicability of exemption (e) to specific devices shall be
16 published, maintained as a public record, and made available
17 for public inspection and copying. If the informal ruling,
18 opinion or letter contains trade secrets or other confidential
19 information, where possible the Department shall delete such
20 information prior to publication. Whenever such informal
21 rulings, opinions, or letters contain any policy of general
22 applicability, the Department shall formulate and adopt such
23 policy as a rule in accordance with the provisions of the
24 Illinois Administrative Procedure Act.

25 On and after July 1, 1987, no entity otherwise eligible
26 under exemption (c) of this Section shall make tax-free

1 purchases unless it has an active exemption identification
2 number issued by the Department.

3 "Serviceman" means any person who is engaged in the
4 occupation of making sales of service.

5 "Sale at Retail" means "sale at retail" as defined in the
6 Retailers' Occupation Tax Act, which, on and after January 1,
7 2025, is defined to include leases.

8 "Supplier" means any person who makes sales of tangible
9 personal property to servicemen for the purpose of resale as
10 an incident to a sale of service.

11 "Serviceman maintaining a place of business in this State"
12 has the meaning given to that term in Section 2 of the Service
13 Use Tax Act.

14 "Marketplace" means a physical or electronic place, forum,
15 platform, application, or other method by which a marketplace
16 serviceman makes or offers to make sales of service.

17 "Marketplace facilitator" means a person who, pursuant to
18 an agreement with an unrelated third-party marketplace
19 serviceman, directly or indirectly through one or more
20 affiliates facilitates sales of service by the unrelated
21 third-party marketplace serviceman through:

22 (1) listing or advertising for sale by the marketplace
23 serviceman in a marketplace, sales of service that are
24 subject to tax under this Act; and

25 (2) either directly or indirectly, through agreements
26 or arrangements with third parties, collecting payment

1 from the customer and transmitting that payment to the
2 marketplace serviceman regardless of whether the
3 marketplace facilitator receives compensation or other
4 consideration in exchange for its services.

5 "Marketplace serviceman" means a person that makes or
6 offers to make a sale of service through a marketplace
7 operated by an unrelated third-party marketplace facilitator.

8 (Source: P.A. 103-592, eff. 1-1-25.)

9 (35 ILCS 115/3) (from Ch. 120, par. 439.103)

10 Sec. 3. Tax imposed.

11 (a) A tax is imposed upon all persons engaged in the
12 business of making sales of service (referred to as
13 "servicemen") on all tangible personal property transferred,
14 including, on and after January 1, 2025, transferred by lease,
15 as an incident of a sale of service, including computer
16 software, and including photographs, negatives, and positives
17 that are the product of photoprocessing, but not including
18 products of photoprocessing produced for use in motion
19 pictures for public commercial exhibition. Beginning January
20 1, 2001, prepaid telephone calling arrangements shall be
21 considered tangible personal property subject to the tax
22 imposed under this Act regardless of the form in which those
23 arrangements may be embodied, transmitted, or fixed by any
24 method now known or hereafter developed. Sales of (1)
25 electricity delivered to customers by wire; (2) natural or

1 artificial gas that is delivered to customers through pipes,
2 pipelines, or mains; and (3) water that is delivered to
3 customers through pipes, pipelines, or mains are not subject
4 to tax under this Act. The provisions of this amendatory Act of
5 the 98th General Assembly are declaratory of existing law as
6 to the meaning and scope of this Act.

7 (b) Beginning on January 1, 2026, a serviceman maintaining
8 a place of business in this State that makes sales of service
9 to Illinois customers from a location or locations outside of
10 Illinois is engaged in the business of making sales of service
11 in Illinois for the purposes of this Act. A qualifying
12 serviceman under this subsection (b) is liable for all
13 applicable State and locally imposed service occupation taxes
14 administered by the Department on all tangible personal
15 property transferred as an incident of a sale of service made
16 by the serviceman to Illinois customers from locations outside
17 of Illinois.

18 (c) A serviceman maintaining a place of business in this
19 State that is required to collect taxes imposed under the
20 Service Use Tax Act on sales of service made to Illinois
21 purchasers shall be liable to the Department for such taxes,
22 except when the serviceman maintaining a place of business in
23 this State is relieved of the duty to remit such taxes by
24 virtue of having paid to the Department taxes imposed by this
25 Act in accordance with this Section upon such sales.

26 (d) Beginning January 1, 2026, a marketplace facilitator

1 whose cumulative gross receipts from sales of service to
2 purchasers in Illinois by the marketplace facilitator and by
3 marketplace servicemen selling through the marketplace are
4 \$100,000 or more is engaged in the business of making sales of
5 service in Illinois for purposes of this Act for each sale of
6 service made through its marketplace.

7 A marketplace facilitator who meets the threshold of this
8 subsection (d) is required to remit the applicable State
9 service occupation taxes under this Act and local service
10 occupation taxes administered by the Department on all taxable
11 transfers of tangible personal property made incident to sales
12 of service by the marketplace facilitator or facilitated for
13 marketplace servicemen to customers in this State. A
14 marketplace facilitator transferring or facilitating the
15 transfer of tangible personal property incident to a sale of
16 service to customers in this State is subject to all
17 applicable procedures and requirements of this Act.

18 The marketplace facilitator shall determine on a quarterly
19 basis, ending on the last day of March, June, September, and
20 December, whether the marketplace facilitator meets the
21 threshold of this subsection (d) for the preceding 12-month
22 period. If the marketplace facilitator meets the threshold for
23 a 12-month period, the marketplace facilitator is considered a
24 serviceman maintaining a place of business in this State and
25 is required to remit the tax imposed under this Act and all
26 service occupation tax imposed by local taxing jurisdictions

1 in Illinois, provided such local taxes are administered by the
2 Department, and to file all applicable returns for one year.
3 At the end of the one-year period, the marketplace facilitator
4 shall determine whether the marketplace facilitator met the
5 threshold for the preceding 12-month period. If the
6 marketplace facilitator met the threshold for the preceding
7 12-month period, the marketplace facilitator is considered a
8 serviceman maintaining a place of business in this State and
9 is required to remit all applicable State and local service
10 occupation taxes and file returns for the subsequent year. If
11 at the end of a one-year period a marketplace facilitator that
12 was required to remit the tax imposed under this Act
13 determines that the marketplace facilitator did not meet the
14 threshold during the preceding 12-month period, the
15 marketplace facilitator shall subsequently determine on a
16 quarterly basis, ending on the last day of March, June,
17 September, and December, whether he or she meets the threshold
18 for the preceding 12-month period.

19 (e) A marketplace facilitator shall be entitled to any
20 credits, deductions, or adjustments to the sales price
21 otherwise provided to the marketplace serviceman, in addition
22 to any such adjustments provided directly to the marketplace
23 facilitator. This Section pertains to, but is not limited to,
24 adjustments such as discounts, coupons, and rebates. In
25 addition, a marketplace facilitator shall be entitled to the
26 vendors' discount provided in Section 9 of the Service

1 Occupation Tax Act on all marketplace sales of service, and
2 the marketplace serviceman shall not include sales of service
3 made through a marketplace facilitator when computing any
4 vendors' discount on remaining sales of service. Marketplace
5 facilitators shall report and remit the applicable State and
6 local service occupation taxes on sales of service facilitated
7 for marketplace servicemen separately from any service
8 occupation or service use tax collected on taxable sales of
9 service made directly by the marketplace facilitator or its
10 affiliates.

11 The marketplace facilitator is liable for the remittance
12 of all applicable State service occupation taxes under this
13 Act and local service occupation taxes administered by the
14 Department on sales of service through the marketplace and is
15 subject to audit on all such sales of service. The Department
16 shall not audit marketplace servicemen for their marketplace
17 sales of service where a marketplace facilitator remitted the
18 applicable State and local service occupation taxes unless the
19 marketplace facilitator seeks relief as a result of incorrect
20 information provided to the marketplace facilitator by a
21 marketplace serviceman as set forth in this Section. The
22 marketplace facilitator shall not be held liable for tax on
23 any sales of service made by a marketplace serviceman that
24 take place outside of the marketplace and which are not a part
25 of any agreement between a marketplace facilitator and a
26 marketplace serviceman. In addition, marketplace facilitators

1 shall not be held liable to State and local governments of
2 Illinois for having charged and remitted an incorrect amount
3 of State and local service occupation tax if, at the time of
4 the sale of service, the tax is computed based on erroneous
5 data provided by the State in database files on tax rates,
6 boundaries, or taxing jurisdictions or incorrect information
7 provided to the marketplace facilitator by the marketplace
8 serviceman, including the marketplace serviceman's cost ratio
9 and registration status.

10 (f) A marketplace facilitator shall:

11 (1) certify to each marketplace serviceman that the
12 marketplace facilitator assumes the rights and duties of a
13 serviceman under this Act with respect to sales of service
14 made by the marketplace serviceman through the
15 marketplace; and

16 (2) remit taxes imposed by this Act as required by
17 this Act for sales of service made through the
18 marketplace.

19 (g) A marketplace serviceman shall retain books and
20 records for all sales of service made through a marketplace in
21 accordance with the requirements of Section 11 of this Act.

22 (h) A marketplace serviceman shall furnish to the
23 marketplace facilitator information that is necessary for the
24 marketplace facilitator to correctly remit taxes for a sale of
25 service. Such information includes the cost price of any item
26 transferred incident to a sale of service under this Act when

1 the cost price of an item exceeds 50% of the total invoice
2 price of a sale of service made through the marketplace. The
3 information may include a certification that an item
4 transferred incident to a sale of service under this Act is
5 taxable, not taxable, exempt from taxation, or taxable at a
6 specified rate. A marketplace serviceman shall be held
7 harmless for liability for the tax imposed under this Act when
8 a marketplace facilitator fails to correctly collect and remit
9 tax after having been provided with information by a
10 marketplace serviceman to correctly collect and remit taxes
11 imposed under this Act.

12 (i) If the marketplace facilitator demonstrates to the
13 satisfaction of the Department that its failure to correctly
14 collect and remit tax on a sale of service resulted from the
15 marketplace facilitator's good faith reliance on incorrect or
16 insufficient information provided by a marketplace serviceman,
17 it shall be relieved of liability for the tax on that sale of
18 service and the marketplace serviceman shall be liable for any
19 resulting tax due.

20 (j) A marketplace facilitator is subject to audit on all
21 marketplace sales of service for which it is considered to be
22 the serviceman, but shall not be liable for tax or subject to
23 audit on sales of service made by marketplace servicemen
24 outside of the marketplace.

25 (k) A marketplace facilitator required to collect taxes
26 imposed under the Service Use Tax Act on marketplace sales of

1 service made to Illinois purchasers shall be liable to the
2 Department for such taxes, except when the marketplace
3 facilitator is relieved of the duty to remit such taxes by
4 virtue of having paid to the Department taxes imposed by this
5 Act in accordance with this Section from such sales of
6 service.

7 (l) Nothing in this Section shall allow the Department to
8 collect service occupation taxes from both the marketplace
9 facilitator and marketplace serviceman on the same
10 transaction.

11 (m) If, for any reason, the Department is prohibited from
12 enforcing the marketplace facilitator's duty under this Act to
13 remit taxes pursuant to this Section, the duty to remit such
14 taxes remains with the marketplace serviceman.

15 The imposition of the tax under this Act on tangible
16 personal property transferred by lease by persons engaged in
17 the business of making sales of service applies to leases in
18 effect, entered into, or renewed on or after January 1, 2025.
19 In the case of leases, except as otherwise provided in this
20 Act, the serviceman who is a lessor must remit for each tax
21 return period only the tax applicable to that part of the
22 selling price actually received during such tax return period.

23 (Source: P.A. 103-592, eff. 1-1-25.)

24 (35 ILCS 115/3-10)

25 Sec. 3-10. Rate of tax. Unless otherwise provided in this

1 Section, the tax imposed by this Act is at the rate of 6.25% of
2 the "selling price", as defined in Section 2 of the Service Use
3 Tax Act, of the tangible personal property, including, on and
4 after January 1, 2025, tangible personal property transferred
5 by lease. For the purpose of computing this tax, in no event
6 shall the "selling price" be less than the cost price to the
7 serviceman of the tangible personal property transferred. The
8 selling price of each item of tangible personal property
9 transferred as an incident of a sale of service may be shown as
10 a distinct and separate item on the serviceman's billing to
11 the service customer. If the selling price is not so shown, the
12 selling price of the tangible personal property is deemed to
13 be 50% of the serviceman's entire billing to the service
14 customer. When, however, a serviceman contracts to design,
15 develop, and produce special order machinery or equipment, the
16 tax imposed by this Act shall be based on the serviceman's cost
17 price of the tangible personal property transferred incident
18 to the completion of the contract.

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

23 With respect to gasohol, as defined in the Use Tax Act, the
24 tax imposed by this Act shall apply to (i) 70% of the cost
25 price of property transferred as an incident to the sale of
26 service on or after January 1, 1990, and before July 1, 2003,

1 (ii) 80% of the selling price of property transferred as an
2 incident to the sale of service on or after July 1, 2003 and on
3 or before July 1, 2017, (iii) 100% of the selling price of
4 property transferred as an incident to the sale of service
5 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
6 the selling price of property transferred as an incident to
7 the sale of service on or after January 1, 2024 and on or
8 before December 31, 2028, and (v) 100% of the selling price of
9 property transferred as an incident to the sale of service
10 after December 31, 2028. If, at any time, however, the tax
11 under this Act on sales of gasohol, as defined in the Use Tax
12 Act, is imposed at the rate of 1.25%, then the tax imposed by
13 this Act applies to 100% of the proceeds of sales of gasohol
14 made during that time.

15 With respect to mid-range ethanol blends, as defined in
16 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
17 applies to (i) 80% of the selling price of property
18 transferred as an incident to the sale of service on or after
19 January 1, 2024 and on or before December 31, 2028 and (ii)
20 100% of the selling price of property transferred as an
21 incident to the sale of service after December 31, 2028. If, at
22 any time, however, the tax under this Act on sales of mid-range
23 ethanol blends is imposed at the rate of 1.25%, then the tax
24 imposed by this Act applies to 100% of the selling price of
25 mid-range ethanol blends transferred as an incident to the
26 sale of service during that time.

1 With respect to majority blended ethanol fuel, as defined
2 in the Use Tax Act, the tax imposed by this Act does not apply
3 to the selling price of property transferred as an incident to
4 the sale of service on or after July 1, 2003 and on or before
5 December 31, 2028 but applies to 100% of the selling price
6 thereafter.

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

23 With respect to biodiesel, as defined in the Use Tax Act,
24 and biodiesel blends, as defined in the Use Tax Act, with more
25 than 10% but no more than 99% biodiesel material, the tax
26 imposed by this Act does not apply to the proceeds of the

1 selling price of property transferred as an incident to the
2 sale of service on or after July 1, 2003 and on or before
3 December 31, 2023. On and after January 1, 2024 and on or
4 before December 31, 2030, the taxation of biodiesel, renewable
5 diesel, and biodiesel blends shall be as provided in Section
6 3-5.1 of the Use Tax Act.

7 At the election of any registered serviceman made for each
8 fiscal year, ~~for whom sales of service in which~~ the aggregate
9 annual cost price of tangible personal property transferred as
10 an incident to the sales of service is less than 35%, or 75% in
11 the case of servicemen transferring prescription drugs or
12 servicemen engaged in graphic arts production, of the
13 aggregate annual total gross receipts from all sales of
14 service, the tax imposed by this Act shall be based on the
15 serviceman's cost price of the tangible personal property
16 transferred incident to the sale of those services. This
17 election may also be made by a serviceman maintaining a place
18 of business in this State who makes retail sales from outside
19 of this State to Illinois customers but is not required to be
20 registered under Section 2a of the Retailers' Occupation Tax
21 Act. Beginning January 1, 2026, this election shall not apply
22 to any sale of service made through a marketplace that has met
23 the threshold in subsection (d) of Section 3 of this Act.

24 Beginning January 1, 2026, the tax shall be imposed at the
25 rate of 6.25% of 50% of the entire billing to the service
26 customer for all sales of service made through a marketplace

1 that has met the threshold in subsection (d) of Section 3 of
2 this Act. In no event shall 50% of the entire billing be less
3 than the cost price of the property to the marketplace
4 serviceman or the marketplace facilitator on its own sales of
5 service.

6 Until July 1, 2022 and from July 1, 2023 through December
7 31, 2025, the tax shall be imposed at the rate of 1% on food
8 prepared for immediate consumption and transferred incident to
9 a sale of service subject to this Act or the Service Use Tax
10 Act by an entity licensed under the Hospital Licensing Act,
11 the Nursing Home Care Act, the Assisted Living and Shared
12 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
13 Specialized Mental Health Rehabilitation Act of 2013, or the
14 Child Care Act of 1969, or an entity that holds a permit issued
15 pursuant to the Life Care Facilities Act. Until July 1, 2022
16 and from July 1, 2023 through December 31, 2025, the tax shall
17 also be imposed at the rate of 1% on food for human consumption
18 that is to be consumed off the premises where it is sold (other
19 than alcoholic beverages, food consisting of or infused with
20 adult use cannabis, soft drinks, and food that has been
21 prepared for immediate consumption and is not otherwise
22 included in this paragraph).

23 Beginning on July 1, 2022 and until July 1, 2023, the tax
24 shall be imposed at the rate of 0% on food prepared for
25 immediate consumption and transferred incident to a sale of
26 service subject to this Act or the Service Use Tax Act by an

1 entity licensed under the Hospital Licensing Act, the Nursing
2 Home Care Act, the Assisted Living and Shared Housing Act, the
3 ID/DD Community Care Act, the MC/DD Act, the Specialized
4 Mental Health Rehabilitation Act of 2013, or the Child Care
5 Act of 1969, or an entity that holds a permit issued pursuant
6 to the Life Care Facilities Act. Beginning July 1, 2022 and
7 until July 1, 2023, the tax shall also be imposed at the rate
8 of 0% on food for human consumption that is to be consumed off
9 the premises where it is sold (other than alcoholic beverages,
10 food consisting of or infused with adult use cannabis, soft
11 drinks, and food that has been prepared for immediate
12 consumption and is not otherwise included in this paragraph).

13 On and after January 1, 2026, food prepared for immediate
14 consumption and transferred incident to a sale of service
15 subject to this Act or the Service Use Tax Act by an entity
16 licensed under the Hospital Licensing Act, the Nursing Home
17 Care Act, the Assisted Living and Shared Housing Act, the
18 ID/DD Community Care Act, the MC/DD Act, the Specialized
19 Mental Health Rehabilitation Act of 2013, or the Child Care
20 Act of 1969, or an entity that holds a permit issued pursuant
21 to the Life Care Facilities Act is exempt from the tax imposed
22 by this Act. On and after January 1, 2026, food for human
23 consumption that is to be consumed off the premises where it is
24 sold (other than alcoholic beverages, food consisting of or
25 infused with adult use cannabis, soft drinks, candy, and food
26 that has been prepared for immediate consumption and is not

1 otherwise included in this paragraph) is exempt from the tax
2 imposed by this Act.

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

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "soft drinks" means non-alcoholic
26 beverages that contain natural or artificial sweeteners. "Soft

1 drinks" does not include beverages that contain milk or milk
2 products, soy, rice or similar milk substitutes, or greater
3 than 50% of vegetable or fruit juice by volume.

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

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

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "nonprescription medicines and

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

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

13 (B) a statement of the "active ingredient(s)" with a
14 list of those ingredients contained in the compound,
15 substance or preparation.

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

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

26 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;

1 102-700, Article 20, Section 20-15, eff. 4-19-22; 102-700,
2 Article 60, Section 60-25, eff. 4-19-22; 103-9, eff. 6-7-23;
3 103-154, eff. 6-30-23; 103-592, eff. 1-1-25; 103-781, eff.
4 8-5-24; revised 11-26-24.)

5 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

6 Sec. 9. Each serviceman required or authorized to collect
7 the tax herein imposed shall pay to the Department the amount
8 of such tax at the time when he is required to file his return
9 for the period during which such tax was collectible, less a
10 discount of 2.1% prior to January 1, 1990, and 1.75% on and
11 after January 1, 1990, or \$5 per calendar year, whichever is
12 greater, which is allowed to reimburse the serviceman for
13 expenses incurred in collecting the tax, keeping records,
14 preparing and filing returns, remitting the tax, and supplying
15 data to the Department on request. On and after January 1,
16 2026, a certified service provider, as defined in the Leveling
17 the Playing Field for Illinois Retail Act, filing the return
18 under this Section on behalf of a serviceman maintaining a
19 place of business in this State shall, at the time of such
20 return, pay to the Department the amount of tax imposed by this
21 Act less a discount of 1.75%, not to exceed \$1000 per month as
22 provided in this Section. A serviceman maintaining a place of
23 business in this State using a certified service provider to
24 file a return on its behalf, as provided in the Leveling the
25 Playing Field for Illinois Retail Act, is not eligible for the

1 discount. Beginning with returns due on or after January 1,
2 2025, the vendor's discount allowed in this Section, the
3 Retailers' Occupation Tax Act, the Use Tax Act, and the
4 Service Use Tax Act, including any local tax administered by
5 the Department and reported on the same return, shall not
6 exceed \$1,000 per month in the aggregate. When determining the
7 discount allowed under this Section, servicemen shall include
8 the amount of tax that would have been due at the 1% rate but
9 for the 0% rate imposed under Public Act 102-700. The discount
10 under this Section is not allowed for the 1.25% portion of
11 taxes paid on aviation fuel that is subject to the revenue use
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
13 discount allowed under this Section is allowed only for
14 returns that are filed in the manner required by this Act. The
15 Department may disallow the discount for servicemen whose
16 certificate of registration is revoked at the time the return
17 is filed, but only if the Department's decision to revoke the
18 certificate of registration has become final.

19 Where such tangible personal property is sold under a
20 conditional sales contract, or under any other form of sale
21 wherein the payment of the principal sum, or a part thereof, is
22 extended beyond the close of the period for which the return is
23 filed, the serviceman, in collecting the tax may collect, for
24 each tax return period, only the tax applicable to the part of
25 the selling price actually received during such tax return
26 period.

1 Except as provided hereinafter in this Section, on or
2 before the twentieth day of each calendar month, such
3 serviceman shall file a return for the preceding calendar
4 month in accordance with reasonable rules and regulations to
5 be promulgated by the Department of Revenue. Such return shall
6 be filed on a form prescribed by the Department and shall
7 contain such information as the Department may reasonably
8 require. The return shall include the gross receipts which
9 were received during the preceding calendar month or quarter
10 on the following items upon which tax would have been due but
11 for the 0% rate imposed under Public Act 102-700: (i) food for
12 human consumption that is to be consumed off the premises
13 where it is sold (other than alcoholic beverages, food
14 consisting of or infused with adult use cannabis, soft drinks,
15 and food that has been prepared for immediate consumption);
16 and (ii) food prepared for immediate consumption and
17 transferred incident to a sale of service subject to this Act
18 or the Service Use Tax Act by an entity licensed under the
19 Hospital Licensing Act, the Nursing Home Care Act, the
20 Assisted Living and Shared Housing Act, the ID/DD Community
21 Care Act, the MC/DD Act, the Specialized Mental Health
22 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
23 an entity that holds a permit issued pursuant to the Life Care
24 Facilities Act. The return shall also include the amount of
25 tax that would have been due on the items listed in the
26 previous sentence but for the 0% rate imposed under Public Act

1 102-700.

2 On and after January 1, 2018, with respect to servicemen
3 whose annual gross receipts average \$20,000 or more, all
4 returns required to be filed pursuant to this Act shall be
5 filed electronically. Servicemen who demonstrate that they do
6 not have access to the Internet or demonstrate hardship in
7 filing electronically may petition the Department to waive the
8 electronic filing requirement.

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

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

1 5-5. The signature of the taxpayer; and

2 6. Such other reasonable information as the Department
3 may require.

4 Each serviceman required or authorized to collect the tax
5 herein imposed on aviation fuel acquired as an incident to the
6 purchase of a service in this State during the preceding
7 calendar month shall, instead of reporting and paying tax as
8 otherwise required by this Section, report and pay such tax on
9 a separate aviation fuel tax return. The requirements related
10 to the return shall be as otherwise provided in this Section.
11 Notwithstanding any other provisions of this Act to the
12 contrary, servicemen transferring aviation fuel incident to
13 sales of service shall file all aviation fuel tax returns and
14 shall make all aviation fuel tax payments by electronic means
15 in the manner and form required by the Department. For
16 purposes of this Section, "aviation fuel" means jet fuel and
17 aviation gasoline.

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

22 Notwithstanding any other provision of this Act to the
23 contrary, servicemen subject to tax on cannabis shall file all
24 cannabis tax returns and shall make all cannabis tax payments
25 by electronic means in the manner and form required by the
26 Department.

1 Prior to October 1, 2003, and on and after September 1,
2 2004 a serviceman may accept a Manufacturer's Purchase Credit
3 certification from a purchaser in satisfaction of Service Use
4 Tax as provided in Section 3-70 of the Service Use Tax Act if
5 the purchaser provides the appropriate documentation as
6 required by Section 3-70 of the Service Use Tax Act. A
7 Manufacturer's Purchase Credit certification, accepted prior
8 to October 1, 2003 or on or after September 1, 2004 by a
9 serviceman as provided in Section 3-70 of the Service Use Tax
10 Act, may be used by that serviceman to satisfy Service
11 Occupation Tax liability in the amount claimed in the
12 certification, not to exceed 6.25% of the receipts subject to
13 tax from a qualifying purchase. A Manufacturer's Purchase
14 Credit reported on any original or amended return filed under
15 this Act after October 20, 2003 for reporting periods prior to
16 September 1, 2004 shall be disallowed. Manufacturer's Purchase
17 Credit reported on annual returns due on or after January 1,
18 2005 will be disallowed for periods prior to September 1,
19 2004. No Manufacturer's Purchase Credit may be used after
20 September 30, 2003 through August 31, 2004 to satisfy any tax
21 liability imposed under this Act, including any audit
22 liability.

23 Beginning on July 1, 2023 and through December 31, 2032, a
24 serviceman may accept a Sustainable Aviation Fuel Purchase
25 Credit certification from an air common carrier-purchaser in
26 satisfaction of Service Use Tax as provided in Section 3-72 of

1 the Service Use Tax Act if the purchaser provides the
2 appropriate documentation as required by Section 3-72 of the
3 Service Use Tax Act. A Sustainable Aviation Fuel Purchase
4 Credit certification accepted by a serviceman in accordance
5 with this paragraph may be used by that serviceman to satisfy
6 service occupation tax liability (but not in satisfaction of
7 penalty or interest) in the amount claimed in the
8 certification, not to exceed 6.25% of the receipts subject to
9 tax from a sale of aviation fuel. In addition, for a sale of
10 aviation fuel to qualify to earn the Sustainable Aviation Fuel
11 Purchase Credit, servicemen must retain in their books and
12 records a certification from the producer of the aviation fuel
13 that the aviation fuel sold by the serviceman and for which a
14 sustainable aviation fuel purchase credit was earned meets the
15 definition of sustainable aviation fuel under Section 3-72 of
16 the Service Use Tax Act. The documentation must include detail
17 sufficient for the Department to determine the number of
18 gallons of sustainable aviation fuel sold.

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

1 October, November, and December of a given year being due by
2 January 20 of the following year.

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

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

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

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

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

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

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

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

1 payments in the manner authorized by the Department.

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

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

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

1 all the return information required by all said Acts on the one
2 form.

3 Where the serviceman has more than one business registered
4 with the Department under separate registrations hereunder,
5 such serviceman shall file separate returns for each
6 registered business.

7 The net revenue realized at the 15% rate under either
8 Section 4 or Section 5 of the Retailers' Occupation Tax Act, as
9 incorporated into this Act by Section 12, shall be deposited
10 as follows: (i) notwithstanding the provisions of this Section
11 to the contrary, the net revenue realized from the portion of
12 the 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 the revenue realized
19 for the preceding month from the 1% tax imposed under this Act.

20 Beginning January 1, 1990, each month the Department shall
21 pay into the County and Mass Transit District Fund 4% of the
22 revenue realized for the preceding month from the 6.25%
23 general rate on sales of tangible personal property other than
24 aviation fuel sold on or after December 1, 2019. This
25 exception for aviation fuel only applies for so long as the
26 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.

1 47133 are binding on the State.

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

6 Beginning January 1, 1990, each month the Department shall
7 pay into the Local Government Tax Fund 16% of the revenue
8 realized for the preceding month from the 6.25% general rate
9 on transfers of tangible personal property other than aviation
10 fuel sold on or after December 1, 2019. This exception for
11 aviation fuel only applies for so long as the revenue use
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
13 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 Fuel 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 Local Government Tax Fund 80% of the net revenue
2 realized for the preceding month from the 1.25% rate on the
3 selling price of motor fuel and gasohol.

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

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

26 Beginning July 1, 2015, of the remainder of the moneys

1 received by the Department under the Use Tax Act, the Service
2 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,
3 each month the Department shall deposit \$500,000 into the
4 State Crime Laboratory Fund.

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

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

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

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

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

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

1	2013	161,000,000
2	2014	170,000,000
3	2015	179,000,000
4	2016	189,000,000
5	2017	199,000,000
6	2018	210,000,000
7	2019	221,000,000
8	2020	233,000,000
9	2021	300,000,000
10	2022	300,000,000
11	2023	300,000,000
12	2024	300,000,000
13	2025	300,000,000
14	2026	300,000,000
15	2027	375,000,000
16	2028	375,000,000
17	2029	375,000,000
18	2030	375,000,000
19	2031	375,000,000
20	2032	375,000,000
21	2033	375,000,000
22	2034	375,000,000
23	2035	375,000,000
24	2036	450,000,000
25	and	
26	each fiscal year	

1 thereafter that bonds
2 are outstanding under
3 Section 13.2 of the
4 Metropolitan Pier and
5 Exposition Authority Act,
6 but not after fiscal year 2060.

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

20 Subject to payment of amounts into the Capital Projects
21 Fund, the Build Illinois Fund, and the McCormick Place
22 Expansion Project Fund pursuant to the preceding paragraphs or
23 in any amendments thereto hereafter enacted, for aviation fuel
24 sold on or after December 1, 2019, the Department shall each
25 month deposit into the Aviation Fuel Sales Tax Refund Fund an
26 amount estimated by the Department to be required for refunds

1 of the 80% portion of the tax on aviation fuel under this Act.
2 The Department shall only deposit moneys into the Aviation
3 Fuel Sales Tax Refund Fund under this paragraph for so long as
4 the revenue use requirements of 49 U.S.C. 47107(b) and 49
5 U.S.C. 47133 are binding on the State.

6 Subject to payment of amounts into the Build Illinois Fund
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, beginning July 1, 1993 and ending on September 30,
10 2013, the Department shall each month pay into the Illinois
11 Tax Increment Fund 0.27% of 80% of the net revenue realized for
12 the preceding month from the 6.25% general rate on the selling
13 price of tangible personal property.

14 Subject to payment of amounts into the Build Illinois
15 Fund, the McCormick Place Expansion Project Fund, and the
16 Illinois Tax Increment Fund pursuant to the preceding
17 paragraphs or in any amendments to this Section hereafter
18 enacted, beginning on the first day of the first calendar
19 month to occur on or after August 26, 2014 (the effective date
20 of Public Act 98-1098), each month, from the collections made
21 under Section 9 of the Use Tax Act, Section 9 of the Service
22 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
23 Section 3 of the Retailers' Occupation Tax Act, the Department
24 shall pay into the Tax Compliance and Administration Fund, to
25 be used, subject to appropriation, to fund additional auditors
26 and compliance personnel at the Department of Revenue, an

1 amount equal to 1/12 of 5% of 80% of the cash receipts
2 collected during the preceding fiscal year by the Audit Bureau
3 of the Department under the Use Tax Act, the Service Use Tax
4 Act, the Service Occupation Tax Act, the Retailers' Occupation
5 Tax Act, and associated local occupation and use taxes
6 administered by the Department.

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

14 Subject to successful execution and delivery of a
15 public-private agreement between the public agency and private
16 entity and completion of the civic build, beginning on July 1,
17 2023, of the remainder of the moneys received by the
18 Department under the Use Tax Act, the Service Use Tax Act, the
19 Service Occupation Tax Act, and this Act, the Department shall
20 deposit the following specified deposits in the aggregate from
21 collections under the Use Tax Act, the Service Use Tax Act, the
22 Service Occupation Tax Act, and the Retailers' Occupation Tax
23 Act, as required under Section 8.25g of the State Finance Act
24 for distribution consistent with the Public-Private
25 Partnership for Civic and Transit Infrastructure Project Act.
26 The moneys received by the Department pursuant to this Act and

1 required to be deposited into the Civic and Transit
 2 Infrastructure Fund are subject to the pledge, claim and
 3 charge set forth in Section 25-55 of the Public-Private
 4 Partnership for Civic and Transit Infrastructure Project Act.
 5 As used in this paragraph, "civic build", "private entity",
 6 "public-private agreement", and "public agency" have the
 7 meanings provided in Section 25-10 of the Public-Private
 8 Partnership for Civic and Transit Infrastructure Project Act.

9	Fiscal Year.....	Total Deposit
10	2024	\$200,000,000
11	2025	\$206,000,000
12	2026	\$212,200,000
13	2027	\$218,500,000
14	2028	\$225,100,000
15	2029	\$288,700,000
16	2030	\$298,900,000
17	2031	\$309,300,000
18	2032	\$320,100,000
19	2033	\$331,200,000
20	2034	\$341,200,000
21	2035	\$351,400,000
22	2036	\$361,900,000
23	2037	\$372,800,000
24	2038	\$384,000,000
25	2039	\$395,500,000
26	2040	\$407,400,000

1	2041	\$419,600,000
2	2042	\$432,200,000
3	2043	\$445,100,000

4 Beginning July 1, 2021 and until July 1, 2022, subject to
5 the payment of amounts into the County and Mass Transit
6 District Fund, the Local Government Tax 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 16% of the net revenue realized from
12 the taxes imposed on motor fuel and gasohol. Beginning July 1,
13 2022 and until July 1, 2023, subject to the payment of amounts
14 into the County and Mass Transit District Fund, the Local
15 Government Tax Fund, the Build Illinois Fund, the McCormick
16 Place Expansion Project Fund, the Illinois Tax Increment Fund,
17 and the Tax Compliance and Administration Fund as provided in
18 this Section, the Department shall pay each month into the
19 Road Fund the amount estimated to represent 32% of the net
20 revenue realized from the taxes imposed on motor fuel and
21 gasohol. Beginning July 1, 2023 and until July 1, 2024,
22 subject to the payment of amounts into the County and Mass
23 Transit District Fund, the Local Government Tax Fund, the
24 Build Illinois Fund, the McCormick Place Expansion Project
25 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
26 and Administration Fund as provided in this Section, the

1 Department shall pay each month into the Road Fund the amount
2 estimated to represent 48% of the net revenue realized from
3 the taxes imposed on motor fuel and gasohol. Beginning July 1,
4 2024 and until July 1, 2025, subject to the payment of amounts
5 into the County and Mass Transit District Fund, the Local
6 Government Tax Fund, the Build Illinois Fund, the McCormick
7 Place Expansion Project Fund, the Illinois Tax Increment Fund,
8 and the Tax Compliance and Administration Fund as provided in
9 this Section, the Department shall pay each month into the
10 Road Fund the amount estimated to represent 64% of the net
11 revenue realized from the taxes imposed on motor fuel and
12 gasohol. Beginning on July 1, 2025, subject to the payment of
13 amounts into the County and Mass Transit District Fund, the
14 Local Government Tax Fund, the Build Illinois Fund, the
15 McCormick Place Expansion Project Fund, the Illinois Tax
16 Increment Fund, and the Tax Compliance and Administration Fund
17 as provided in this Section, the Department shall pay each
18 month into the Road Fund the amount estimated to represent 80%
19 of the net revenue realized from the taxes imposed on motor
20 fuel and gasohol. As used in this paragraph "motor fuel" has
21 the meaning given to that term in Section 1.1 of the Motor Fuel
22 Tax Law, and "gasohol" has the meaning given to that term in
23 Section 3-40 of the Use Tax Act.

24 Of the remainder of the moneys received by the Department
25 pursuant to this Act, 75% shall be paid into the General
26 Revenue Fund of the State treasury and 25% shall be reserved in

1 a special account and used only for the transfer to the Common
2 School Fund as part of the monthly transfer from the General
3 Revenue Fund in accordance with Section 8a of the State
4 Finance Act.

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

1 provided for in this Section.

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

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

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

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

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

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

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

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

20 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
21 103-363, eff. 7-28-23; 103-592, eff. 6-7-24; 103-605, eff.
22 7-1-24.)

23 (35 ILCS 115/20) (from Ch. 120, par. 439.120)

24 Sec. 20. If it is determined that the Department should
25 issue a credit or refund hereunder, the Department may first

1 apply the amount thereof against any amount of tax or penalty
2 or interest due hereunder, or under the Service Use Tax Act,
3 the Retailers' Occupation Tax Act, the Use Tax Act, or any
4 local occupation or use tax administered by the Department,
5 ~~Section 4 of the Water Commission Act of 1985, subsections~~
6 ~~(b), (c) and (d) of Section 5.01 of the Local Mass Transit~~
7 ~~District Act, or subsections (e), (f) and (g) of Section 4.03~~
8 ~~of the Regional Transportation Authority Act,~~ from the person
9 entitled to such credit or refund. For this purpose, if
10 proceedings are pending to determine whether or not any tax or
11 penalty or interest is due hereunder, or under the Service Use
12 Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, or
13 any local occupation or use tax administered by the
14 Department, ~~Section 4 of the Water Commission Act of 1985,~~
15 ~~subsections (b), (c) and (d) of Section 5.01 of the Local Mass~~
16 ~~Transit District Act, or subsections (e), (f) and (g) of~~
17 ~~Section 4.03 of the Regional Transportation Authority Act,~~
18 from such person, the Department may withhold issuance of the
19 credit or refund pending the final disposition of such
20 proceedings and may apply such credit or refund against any
21 amount found to be due to the Department as a result of such
22 proceedings. The balance, if any, of the credit or refund
23 shall be issued to the person entitled thereto.

24 Any credit memorandum issued hereunder may be used by the
25 authorized holder thereof to pay any tax or penalty or
26 interest due or to become due under this Act, or under the

1 Service Use Tax Act, the Retailers' Occupation Tax Act, the
2 Use Tax Act, or any local occupation or use tax administered by
3 the Department, ~~Section 4 of the Water Commission Act of 1985,~~
4 ~~subsections (b), (c) and (d) of Section 5.01 of the Local Mass~~
5 ~~Transit District Act, or subsections (c), (f) and (g) of~~
6 ~~Section 4.03 of the Regional Transportation Authority Act,~~
7 from such holder. Subject to reasonable rules of the
8 Department, a credit memorandum issued hereunder may be
9 assigned by the holder thereof to any other person for use in
10 paying tax or penalty or interest which may be due or become
11 due under this Act, the Service Use Tax Act, the Retailers'
12 Occupation Tax Act, the Use Tax Act, or any local occupation or
13 use tax administered by the Department, ~~Section 4 of the Water~~
14 ~~Commission Act of 1985, subsections (b), (c) and (d) of~~
15 ~~Section 5.01 of the Local Mass Transit District Act, or~~
16 ~~subsections (c), (f) and (g) of Section 4.03 of the Regional~~
17 ~~Transportation Authority Act,~~ from the assignee.

18 In any case in which there has been an erroneous refund of
19 tax payable under this Act, a notice of tax liability may be
20 issued at any time within 3 years from the making of that
21 refund, or within 5 years from the making of that refund if it
22 appears that any part of the refund was induced by fraud or the
23 misrepresentation of a material fact. The amount of any
24 proposed assessment set forth in the notice shall be limited
25 to the amount of the erroneous refund.

26 (Source: P.A. 91-901, eff. 1-1-01.)

1 Section 20. The Retailers' Occupation Tax Act is amended
2 by changing Sections 2, 3, 4, 5, and 6 as follows:

3 (35 ILCS 120/2)

4 Sec. 2. Tax imposed.

5 (a) A tax is imposed upon persons engaged in the business
6 of selling at retail, which, on and after January 1, 2025,
7 includes leasing, tangible personal property, including
8 computer software, and including photographs, negatives, and
9 positives that are the product of photoprocessing, but not
10 including products of photoprocessing produced for use in
11 motion pictures for public commercial exhibition. Beginning
12 January 1, 2001, prepaid telephone calling arrangements shall
13 be considered tangible personal property subject to the tax
14 imposed under this Act regardless of the form in which those
15 arrangements may be embodied, transmitted, or fixed by any
16 method now known or hereafter developed.

17 The imposition of the tax under this Act on persons
18 engaged in the business of leasing tangible personal property
19 applies to leases in effect, entered into, or renewed on or
20 after January 1, 2025. In the case of leases, except as
21 otherwise provided in this Act, the lessor must remit, for
22 each tax return period, only the tax applicable to that part of
23 the selling price actually received during such tax return
24 period.

1 The inclusion of leases in the tax imposed under this Act
2 by Public Act 103-592 ~~this amendatory Act of the 103rd General~~
3 ~~Assembly~~ does not, however, extend to motor vehicles,
4 watercraft, aircraft, and semitrailers, as defined in Section
5 1-187 of the Illinois Vehicle Code, that are required to be
6 registered with an agency of this State. The taxation of these
7 items shall continue in effect as prior to the effective date
8 of the changes made to this Section by Public Act 103-592 ~~this~~
9 ~~amendatory Act of the 103rd General Assembly~~ (i.e., dealers
10 owe retailers' occupation tax, lessors owe use tax, and
11 lessees are not subject to retailers' occupation or use tax).

12 Sales of (1) electricity delivered to customers by wire;
13 (2) natural or artificial gas that is delivered to customers
14 through pipes, pipelines, or mains; and (3) water that is
15 delivered to customers through pipes, pipelines, or mains are
16 not subject to tax under this Act. The provisions of Public Act
17 98-583 ~~this amendatory Act of the 98th General Assembly~~ are
18 declaratory of existing law as to the meaning and scope of this
19 Act.

20 (b) Beginning on January 1, 2021~~7~~ and through December 31,
21 2025, a remote retailer is engaged in the occupation of
22 selling at retail in Illinois for purposes of this Act, if:

23 (1) the cumulative gross receipts from sales of
24 tangible personal property to purchasers in Illinois are
25 \$100,000 or more; or

26 (2) the retailer enters into 200 or more separate

1 transactions for the sale of tangible personal property to
2 purchasers in Illinois.

3 Remote retailers that meet or exceed the threshold in
4 either paragraph (1) or (2) above shall be liable for all
5 applicable State retailers' and locally imposed retailers'
6 occupation taxes administered by the Department on all retail
7 sales to Illinois purchasers.

8 The remote retailer shall determine on a quarterly basis,
9 ending on the last day of March, June, September, and
10 December, whether it ~~he or she~~ meets the threshold ~~criteria~~ of
11 either paragraph (1) or (2) of this subsection for the
12 preceding 12-month period. If the retailer meets the threshold
13 ~~criteria~~ of either paragraph (1) or (2) for a 12-month period,
14 he or she is considered a retailer maintaining a place of
15 business in this State and is required to collect and remit the
16 tax imposed under this Act and all retailers' occupation tax
17 imposed by local taxing jurisdictions in Illinois, provided
18 such local taxes are administered by the Department, and to
19 file all applicable returns for one year. At the end of that
20 one-year period, the retailer shall determine whether the
21 retailer met the threshold ~~criteria~~ of either paragraph (1) or
22 (2) for the preceding 12-month period. If the retailer met the
23 threshold ~~criteria~~ in either paragraph (1) or (2) for the
24 preceding 12-month period, it ~~he or she~~ is considered a
25 retailer maintaining a place of business in this State and is
26 required to collect and remit all applicable State and local

1 retailers' occupation taxes and file returns for the
2 subsequent year. If, at the end of a one-year period, a
3 retailer that was required to collect and remit the tax
4 imposed under this Act determines that it ~~he or she~~ did not
5 meet the threshold criteria in either paragraph (1) or (2)
6 during the preceding 12-month period, then the retailer shall
7 subsequently determine on a quarterly basis, ending on the
8 last day of March, June, September, and December, whether the
9 retailer met ~~he or she meets~~ the threshold criteria of either
10 paragraph (1) or (2) for the preceding 12-month period.

11 (b-1) Beginning on January 1, 2026, a remote retailer is
12 engaged in the occupation of selling at retail in Illinois for
13 purposes of this Act if the remote retailer's cumulative gross
14 receipts from sales of tangible personal property to
15 purchasers in Illinois are \$100,000 or more.

16 Remote retailers that meet or exceed the threshold in this
17 subsection (b-1) shall be liable for all applicable State and
18 locally imposed retailers' occupation taxes administered by
19 the Department on all retail sales to Illinois purchasers.

20 The remote retailer shall determine on a quarterly basis,
21 ending on the last day of March, June, September, and
22 December, whether the remote retailer meets the threshold of
23 this subsection (b-1) for the preceding 12-month period. If
24 the remote retailer meets the threshold for a 12-month period,
25 the remote retailer is considered to be engaged in the
26 occupation of selling at retail in Illinois and is required to

1 remit the tax imposed under this Act and all retailers'
2 occupation tax imposed by local taxing jurisdictions in
3 Illinois, provided such local taxes are administered by the
4 Department, and to file all applicable returns for one year.
5 At the end of the one-year period, the remote retailer shall
6 determine whether the remote retailer met the threshold for
7 the preceding 12-month period. If the retailer met the
8 threshold for the preceding 12-month period, the remote
9 retailer is considered to be engaged in the occupation of
10 selling at retail in Illinois and is required to remit all
11 applicable State and local retailers' occupation taxes and
12 file returns for the subsequent year. If, at the end of a
13 one-year period, a remote retailer that was required to remit
14 the tax imposed under this Act determines that the remote
15 retailer did not meet the threshold during the preceding
16 12-month period, then the remote retailer shall subsequently
17 determine on a quarterly basis, ending on the last day of
18 March, June, September, and December, whether the remote
19 retailer met the threshold for the preceding 12-month period.

20 (b-2) Beginning on January 1, 2025, a retailer maintaining
21 a place of business in this State that makes retail sales of
22 tangible personal property to Illinois customers from a
23 location or locations outside of Illinois is engaged in the
24 occupation of selling at retail in Illinois for the purposes
25 of this Act. Those retailers are liable for all applicable
26 State and locally imposed retailers' occupation taxes

1 administered by the Department on retail sales made by those
2 retailers to Illinois customers from locations outside of
3 Illinois.

4 (b-5) For the purposes of this Section, neither the gross
5 receipts from nor, until January 1, 2026, the number of
6 separate transactions for sales of tangible personal property
7 to purchasers in Illinois that a remote retailer makes through
8 a marketplace facilitator shall be included for the purposes
9 of determining whether he or she has met the thresholds of
10 subsection (b) or (b-1) of this Section so long as the remote
11 retailer has received certification from the marketplace
12 facilitator that the marketplace facilitator is legally
13 responsible for payment of tax on such sales.

14 (b-10) A remote retailer that is required to collect taxes
15 imposed under the Use Tax Act on retail sales made to Illinois
16 purchasers or a retailer maintaining a place of business in
17 this State that is required to collect taxes imposed under the
18 Use Tax Act on retail sales made to Illinois purchasers shall
19 be liable to the Department for such taxes, except when the
20 remote retailer or retailer maintaining a place of business in
21 this State is relieved of the duty to remit such taxes by
22 virtue of having paid to the Department taxes imposed by this
23 Act in accordance with this Section upon his or her gross
24 receipts from such sales.

25 (c) Marketplace facilitators engaged in the business of
26 selling at retail tangible personal property in Illinois.

1 Beginning January 1, 2021, and through December 31, 2025, a
2 marketplace facilitator is engaged in the occupation of
3 selling at retail tangible personal property in Illinois for
4 purposes of this Act if, during the previous 12-month period:

5 (1) the cumulative gross receipts from sales of
6 tangible personal property on its own behalf or on behalf
7 of marketplace sellers to purchasers in Illinois equals
8 \$100,000 or more; or

9 (2) the marketplace facilitator enters into 200 or
10 more separate transactions on its own behalf or on behalf
11 of marketplace sellers for the sale of tangible personal
12 property to purchasers in Illinois, regardless of whether
13 the marketplace facilitator or marketplace sellers for
14 whom such sales are facilitated are registered as
15 retailers in this State.

16 A marketplace facilitator who meets either paragraph (1)
17 or (2) of this subsection is required to remit the applicable
18 State retailers' occupation taxes under this Act and local
19 retailers' occupation taxes administered by the Department on
20 all taxable sales of tangible personal property made by the
21 marketplace facilitator or facilitated for marketplace sellers
22 to customers in this State. A marketplace facilitator selling
23 or facilitating the sale of tangible personal property to
24 customers in this State is subject to all applicable
25 procedures and requirements of this Act.

26 The marketplace facilitator shall determine on a quarterly

1 basis, ending on the last day of March, June, September, and
2 December, whether it ~~he or she~~ meets the threshold criteria of
3 either paragraph (1) or (2) of this subsection for the
4 preceding 12-month period. If the marketplace facilitator
5 meets the threshold criteria of either paragraph (1) or (2)
6 for a 12-month period, the marketplace facilitator ~~he or she~~
7 is considered a retailer maintaining a place of business in
8 this State and is required to remit the tax imposed under this
9 Act and all retailers' occupation tax imposed by local taxing
10 jurisdictions in Illinois, provided such local taxes are
11 administered by the Department, and to file all applicable
12 returns for one year. At the end of that one-year period, the
13 marketplace facilitator shall determine whether it met the
14 threshold criteria of either paragraph (1) or (2) for the
15 preceding 12-month period. If the marketplace facilitator met
16 the threshold criteria in either paragraph (1) or (2) for the
17 preceding 12-month period, it is considered a retailer
18 maintaining a place of business in this State and is required
19 to collect and remit all applicable State and local retailers'
20 occupation taxes and file returns for the subsequent year. If
21 at the end of a one-year period a marketplace facilitator that
22 was required to collect and remit the tax imposed under this
23 Act determines that it ~~he or she~~ did not meet the threshold
24 criteria in either paragraph (1) or (2) during the preceding
25 12-month period, the marketplace facilitator shall
26 subsequently determine on a quarterly basis, ending on the

1 last day of March, June, September, and December, whether it
2 met ~~he or she meets~~ the threshold ~~criteria~~ of either paragraph
3 (1) or (2) for the preceding 12-month period.

4 (c-5) Beginning January 1, 2026, a marketplace facilitator
5 is engaged in the occupation of selling at retail tangible
6 personal property in Illinois for purposes of this Act if,
7 during the previous 12-month period the cumulative gross
8 receipts from sales of tangible personal property on its own
9 behalf or on behalf of marketplace sellers to purchasers in
10 Illinois equals \$100,000 or more.

11 A marketplace facilitator who meets the threshold of this
12 subsection is required to remit the applicable State
13 retailers' occupation taxes under this Act and local
14 retailers' occupation taxes administered by the Department on
15 all taxable sales of tangible personal property made by the
16 marketplace facilitator or facilitated for marketplace sellers
17 to customers in this State. A marketplace facilitator selling
18 or facilitating the sale of tangible personal property to
19 customers in this State is subject to all applicable
20 procedures and requirements of this Act.

21 The marketplace facilitator shall determine on a quarterly
22 basis, ending on the last day of March, June, September, and
23 December, whether the marketplace facilitator meets the
24 threshold of this subsection (c-5) for the preceding 12-month
25 period. If the marketplace facilitator meets the threshold for
26 a 12-month period, the marketplace facilitator is considered

1 to be engaged in the occupation of selling at retail in
2 Illinois and is required to remit the tax imposed under this
3 Act and all retailers' occupation tax imposed by local taxing
4 jurisdictions in Illinois, provided such local taxes are
5 administered by the Department, and to file all applicable
6 returns for one year. At the end of the one-year period, the
7 marketplace facilitator shall determine whether the
8 marketplace facilitator met the threshold for the preceding
9 12-month period. If the marketplace facilitator met the
10 threshold for the preceding 12-month period, the marketplace
11 facilitator is considered to be engaged in the occupation of
12 selling at retail in Illinois and is required to collect and
13 remit all applicable State and local retailers' occupation
14 taxes and file returns for the subsequent year. If at the end
15 of a one-year period a marketplace facilitator that was
16 required to collect and remit the tax imposed under this Act
17 determines that the marketplace facilitator did not meet the
18 threshold during the preceding 12-month period, the
19 marketplace facilitator shall subsequently determine on a
20 quarterly basis, ending on the last day of March, June,
21 September, and December, whether it met the threshold for the
22 preceding 12-month period.

23 (c-10) A marketplace facilitator shall be entitled to any
24 credits, deductions, or adjustments to the sales price
25 otherwise provided to the marketplace seller, in addition to
26 any such adjustments provided directly to the marketplace

1 facilitator. This Section pertains to, but is not limited to,
2 adjustments such as discounts, coupons, and rebates. In
3 addition, a marketplace facilitator shall be entitled to the
4 retailers' discount provided in Section 3 of the Retailers'
5 Occupation Tax Act on all marketplace sales, and the
6 marketplace seller shall not include sales made through a
7 marketplace facilitator when computing any retailers' discount
8 on remaining sales. Marketplace facilitators shall report and
9 remit the applicable State and local retailers' occupation
10 taxes on sales facilitated for marketplace sellers separately
11 from any sales or use tax collected on taxable retail sales
12 made directly by the marketplace facilitator or its
13 affiliates.

14 The marketplace facilitator is liable for the remittance
15 of all applicable State retailers' occupation taxes under this
16 Act and local retailers' occupation taxes administered by the
17 Department on sales through the marketplace and is subject to
18 audit on all such sales. The Department shall not audit
19 marketplace sellers for their marketplace sales where a
20 marketplace facilitator remitted the applicable State and
21 local retailers' occupation taxes unless the marketplace
22 facilitator seeks relief as a result of incorrect information
23 provided to the marketplace facilitator by a marketplace
24 seller as set forth in this Section. The marketplace
25 facilitator shall not be held liable for tax on any sales made
26 by a marketplace seller that take place outside of the

1 marketplace and which are not a part of any agreement between a
2 marketplace facilitator and a marketplace seller. In addition,
3 marketplace facilitators shall not be held liable to State and
4 local governments of Illinois for having charged and remitted
5 an incorrect amount of State and local retailers' occupation
6 tax if, at the time of the sale, the tax is computed based on
7 erroneous data provided by the State in database files on tax
8 rates, boundaries, or taxing jurisdictions or incorrect
9 information provided to the marketplace facilitator by the
10 marketplace seller.

11 (d) A marketplace facilitator shall:

12 (1) certify to each marketplace seller that the
13 marketplace facilitator assumes the rights and duties of a
14 retailer under this Act with respect to sales made by the
15 marketplace seller through the marketplace; and

16 (2) remit taxes imposed by this Act as required by
17 this Act for sales made through the marketplace.

18 (e) A marketplace seller shall retain books and records
19 for all sales made through a marketplace in accordance with
20 the requirements of this Act.

21 (f) A marketplace facilitator is subject to audit on all
22 marketplace sales for which it is considered to be the
23 retailer, but shall not be liable for tax or subject to audit
24 on sales made by marketplace sellers outside of the
25 marketplace.

26 (g) A marketplace facilitator required to collect taxes

1 imposed under the Use Tax Act on marketplace sales made to
2 Illinois purchasers shall be liable to the Department for such
3 taxes, except when the marketplace facilitator is relieved of
4 the duty to remit such taxes by virtue of having paid to the
5 Department taxes imposed by this Act in accordance with this
6 Section upon his or her gross receipts from such sales.

7 (h) Nothing in this Section shall allow the Department to
8 collect retailers' occupation taxes from both the marketplace
9 facilitator and marketplace seller on the same transaction.

10 (i) If, for any reason, the Department is prohibited from
11 enforcing the marketplace facilitator's duty under this Act to
12 remit taxes pursuant to this Section, the duty to remit such
13 taxes remains with the marketplace seller.

14 (j) (Blank). ~~Nothing in this Section affects the~~
15 ~~obligation of any consumer to remit use tax for any taxable~~
16 ~~transaction for which a certified service provider acting on~~
17 ~~behalf of a remote retailer or a marketplace facilitator does~~
18 ~~not collect and remit the appropriate tax.~~

19 (k) (Blank). ~~Nothing in this Section shall allow the~~
20 ~~Department to collect the retailers' occupation tax from both~~
21 ~~the marketplace facilitator and the marketplace seller.~~

22 (l) A marketplace seller shall furnish to the marketplace
23 facilitator information that is necessary for the marketplace
24 facilitator to correctly remit taxes for a retail sale. The
25 information may include a certification that an item being
26 sold is taxable, not taxable, exempt from taxation, or taxable

1 at a specified rate. A marketplace seller shall be held
2 harmless for liability for the tax imposed under this Act when
3 a marketplace facilitator fails to correctly remit tax after
4 having been provided with information by a marketplace seller
5 to correctly remit taxes imposed under this Act.

6 (m) If the marketplace facilitator demonstrates to the
7 satisfaction of the Department that its failure to correctly
8 remit tax on a retail sale resulted from the marketplace
9 facilitator's good faith reliance on incorrect or insufficient
10 information provided by a marketplace seller, it shall be
11 relieved of liability for the tax on that retail sale and the
12 marketplace seller shall be liable for any resulting tax due.

13 (Source: P.A. 103-592, eff. 1-1-25; 103-983, eff. 1-1-25;
14 revised 11-26-24.)

15 (35 ILCS 120/3)

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

22 1. The name of the seller;

23 2. His residence address and the address of his
24 principal place of business and the address of the
25 principal place of business (if that is a different

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

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

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

13 5. Deductions allowed by law;

14 6. Gross receipts which were received by him during
15 the preceding calendar month or quarter and upon the basis
16 of which the tax is imposed, including gross receipts on
17 food for human consumption that is to be consumed off the
18 premises where it is sold (other than alcoholic beverages,
19 food consisting of or infused with adult use cannabis,
20 soft drinks, and food that has been prepared for immediate
21 consumption) which were received during the preceding
22 calendar month or quarter and upon which tax would have
23 been due but for the 0% rate imposed under Public Act
24 102-700;

25 7. The amount of credit provided in Section 2d of this
26 Act;

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

8 9. The signature of the taxpayer; and

9 10. Such other reasonable information as the
10 Department may require.

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

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

1 electronically. Retailers who demonstrate that they do not
2 have access to the Internet or demonstrate hardship in filing
3 electronically may petition the Department to waive the
4 electronic filing requirement.

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

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

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

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

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

1 Department to determine the number of gallons of sustainable
2 aviation fuel sold.

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

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

24 Every person engaged in the business of selling aviation
25 fuel at retail in this State during the preceding calendar
26 month shall, instead of reporting and paying tax as otherwise

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

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

24 Beginning on October 1, 2003, every distributor, importing
25 distributor, and manufacturer of alcoholic liquor as defined
26 in the Liquor Control Act of 1934, shall file a statement with

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

26 If a total amount of less than \$1 is payable, refundable or

1 creditable, such amount shall be disregarded if it is less
2 than 50 cents and shall be increased to \$1 if it is 50 cents or
3 more.

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

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

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

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

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

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

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

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

1 dollar is 50 cents or more, and decreased to the nearest
2 whole-dollar amount where the fractional part of a dollar is
3 less than 50 cents.

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

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

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

24 Notwithstanding any other provision in this Act concerning
25 the time within which a retailer may file his return, in the
26 case of any retailer who ceases to engage in a kind of business

1 which makes him responsible for filing returns under this Act,
2 such retailer shall file a final return under this Act with the
3 Department not more than one month after discontinuing such
4 business.

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

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

1 seller may report the transfer of all aircraft, watercraft,
2 motor vehicles, or trailers involved in that transaction to
3 the Department on the same uniform invoice-transaction
4 reporting return form. For purposes of this Section,
5 "watercraft" means a Class 2, Class 3, or Class 4 watercraft as
6 defined in Section 3-2 of the Boat Registration and Safety
7 Act, a personal watercraft, or any boat equipped with an
8 inboard motor.

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

25 Any retailer who sells only motor vehicles, watercraft,
26 aircraft, or trailers that are required to be registered with

1 an agency of this State, so that all retailers' occupation tax
2 liability is required to be reported, and is reported, on such
3 transaction reporting returns and who is not otherwise
4 required to file monthly or quarterly returns, need not file
5 monthly or quarterly returns. However, those retailers shall
6 be required to file returns on an annual basis.

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 1 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 or 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 1 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 day 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
24 Illinois use tax may be transmitted to the Department by way of
25 the State agency with which, or State officer with whom the
26 tangible personal property must be titled or registered (if

1 titling or registration is required) if the Department and
2 such agency or State officer determine that this procedure
3 will expedite the processing of applications for title or
4 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 use tax
10 receipt (or a certificate of exemption if the Department is
11 satisfied that the particular sale is tax exempt) which such
12 purchaser may submit to the agency with which, or State
13 officer with whom, he must title or register the tangible
14 personal property that is involved (if titling or registration
15 is required) in support of such purchaser's application for an
16 Illinois certificate or other evidence of title or
17 registration to such 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 the tax or proof of exemption made to the Department before
3 the retailer is willing to take these actions and such user has
4 not paid the tax to the retailer, such user may certify to the
5 fact 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 Refunds made by the seller during the preceding return
9 period to purchasers, on account of tangible personal property
10 returned to the seller, shall be allowed as a deduction under
11 subdivision 5 of his monthly or quarterly return, as the case
12 may be, in case the seller had theretofore included the
13 receipts from the sale of such tangible personal property in a
14 return filed by him and had paid the tax imposed by this Act
15 with respect to such receipts.

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

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

24 Except as provided in this Section, the retailer filing
25 the return under this Section shall, at the time of filing such
26 return, pay to the Department the amount of tax imposed by this

1 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
2 on and after January 1, 1990, or \$5 per calendar year,
3 whichever is greater, which is allowed to reimburse the
4 retailer for the expenses incurred in keeping records,
5 preparing and filing returns, remitting the tax and supplying
6 data to the Department on request. ~~A On and after January 1,~~
7 ~~2021,~~ a certified service provider, as defined in the Leveling
8 the Playing Field for Illinois Retail Act, filing the return
9 under this Section on behalf of a remote retailer or a retailer
10 maintaining a place of business in this State shall, at the
11 time of such return, pay to the Department the amount of tax
12 imposed by this Act less a discount of 1.75%. A remote retailer
13 or a retailer maintaining a place of business in this State
14 using a certified service provider to file a return on its
15 behalf, as provided in the Leveling the Playing Field for
16 Illinois Retail Act, is not eligible for the discount.
17 Beginning with returns due on or after January 1, 2025, the
18 vendor's discount allowed in this Section, the Service
19 Occupation Tax Act, the Use Tax Act, and the Service Use Tax
20 Act, including any local tax administered by the Department
21 and reported on the same return, shall not exceed \$1,000 per
22 month in the aggregate for returns other than transaction
23 returns filed during the month. When determining the discount
24 allowed under this Section, retailers shall include the amount
25 of tax that would have been due at the 1% rate but for the 0%
26 rate imposed under Public Act 102-700. When determining the

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

25 Before October 1, 2000, if the taxpayer's average monthly
26 tax liability to the Department under this Act, the Use Tax

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

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

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

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

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

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

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

26 The provisions of this paragraph apply on and after

1 October 1, 2001. Without regard to whether a taxpayer is
2 required to make quarter monthly payments as specified above,
3 any taxpayer who is required by Section 2d of this Act to
4 collect and remit prepaid taxes and has collected prepaid
5 taxes that average in excess of \$20,000 per month during the
6 preceding 4 complete calendar quarters shall file a return
7 with the Department as required by Section 2f and shall make
8 payments to the Department on or before the 7th, 15th, 22nd,
9 and last day of the month during which the liability is
10 incurred. Each payment shall be in an amount equal to 22.5% of
11 the taxpayer's actual liability for the month or 25% of the
12 taxpayer's liability for the same calendar month of the
13 preceding year. The amount of the quarter monthly payments
14 shall be credited against the final tax liability of the
15 taxpayer's return for that month filed under this Section or
16 Section 2f, as the case may be. Once applicable, the
17 requirement of the making of quarter monthly payments to the
18 Department pursuant to this paragraph shall continue until the
19 taxpayer's average monthly prepaid tax collections during the
20 preceding 4 complete calendar quarters (excluding the month of
21 highest liability and the month of lowest liability) is less
22 than \$19,000 or until such taxpayer's average monthly
23 liability to the Department as computed for each calendar
24 quarter of the 4 preceding complete calendar quarters is less
25 than \$20,000. If any such quarter monthly payment is not paid
26 at the time or in the amount required, the taxpayer shall be

1 liable for penalties and interest on such difference, except
2 insofar as the taxpayer has previously made payments for that
3 month in excess of the minimum payments previously due.

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

26 If a retailer of motor fuel is entitled to a credit under

1 Section 2d of this Act which exceeds the taxpayer's liability
2 to the Department under this Act for the month for which the
3 taxpayer is filing a return, the Department shall issue the
4 taxpayer a credit memorandum for the excess.

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

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

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

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

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

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

1 Aviation Fuel Sales Tax Refund Fund under this Act for so long
2 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
3 U.S.C. 47133 are binding on the State.

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

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

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

1 Act and the Use Tax Act shall not exceed \$2,000,000 in any
2 fiscal year.

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

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

23 Of the remainder of the moneys received by the Department
24 pursuant to this Act, (a) 1.75% thereof shall be paid into the
25 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
26 and after July 1, 1989, 3.8% thereof shall be paid into the

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

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

26 and means the Certified Annual Debt Service Requirement (as

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

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

23 Subject to payment of amounts into the Build Illinois Fund
24 as provided in the preceding paragraph or in any amendment
25 thereto hereafter enacted, the following specified monthly
26 installment of the amount requested in the certificate of the

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

9	Fiscal Year	Total Deposit
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000
20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000
26	2009	132,000,000

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	300,000,000
13	2022	300,000,000
14	2023	300,000,000
15	2024	300,000,000
16	2025	300,000,000
17	2026	300,000,000
18	2027	375,000,000
19	2028	375,000,000
20	2029	375,000,000
21	2030	375,000,000
22	2031	375,000,000
23	2032	375,000,000
24	2033	375,000,000
25	2034	375,000,000
26	2035	375,000,000

1 2036 450,000,000
2 and
3 each fiscal year
4 thereafter that bonds
5 are outstanding under
6 Section 13.2 of the
7 Metropolitan Pier and
8 Exposition Authority Act,
9 but not after fiscal year 2060.

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

23 Subject to payment of amounts into the Capital Projects
24 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

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

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

18 Subject to payment of amounts into the Build Illinois
19 Fund, the McCormick Place Expansion Project Fund, and the
20 Illinois Tax Increment Fund pursuant to the preceding
21 paragraphs or in any amendments to this Section hereafter
22 enacted, beginning on the first day of the first calendar
23 month to occur on or after August 26, 2014 (the effective date
24 of Public Act 98-1098), each month, from the collections made
25 under Section 9 of the Use Tax Act, Section 9 of the Service
26 Use Tax Act, Section 9 of the Service Occupation Tax Act, and

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

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

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

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

14	Fiscal Year.....	Total Deposit
15	2024	\$200,000,000
16	2025	\$206,000,000
17	2026	\$212,200,000
18	2027	\$218,500,000
19	2028	\$225,100,000
20	2029	\$288,700,000
21	2030	\$298,900,000
22	2031	\$309,300,000
23	2032	\$320,100,000
24	2033	\$331,200,000
25	2034	\$341,200,000
26	2035	\$351,400,000

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

9 Beginning July 1, 2021 and until July 1, 2022, subject to
10 the payment of amounts into the County and Mass Transit
11 District Fund, the Local Government Tax Fund, the Build
12 Illinois Fund, the McCormick Place Expansion Project Fund, the
13 Illinois Tax Increment Fund, and the Tax Compliance and
14 Administration Fund as provided in this Section, the
15 Department shall pay each month into the Road Fund the amount
16 estimated to represent 16% of the net revenue realized from
17 the taxes imposed on motor fuel and gasohol. Beginning July 1,
18 2022 and until July 1, 2023, subject to the payment of amounts
19 into the County and Mass Transit District Fund, the Local
20 Government Tax Fund, the Build Illinois Fund, the McCormick
21 Place Expansion Project Fund, the Illinois Tax Increment Fund,
22 and the Tax Compliance and Administration Fund as provided in
23 this Section, the Department shall pay each month into the
24 Road Fund the amount estimated to represent 32% of the net
25 revenue realized from the taxes imposed on motor fuel and
26 gasohol. Beginning July 1, 2023 and until July 1, 2024,

1 subject to the payment of amounts into the County and Mass
2 Transit District Fund, the Local Government Tax Fund, the
3 Build Illinois Fund, the McCormick Place Expansion Project
4 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
5 and Administration Fund as provided in this Section, the
6 Department shall pay each month into the Road Fund the amount
7 estimated to represent 48% of the net revenue realized from
8 the taxes imposed on motor fuel and gasohol. Beginning July 1,
9 2024 and until July 1, 2025, subject to the payment of amounts
10 into the County and Mass Transit District Fund, the Local
11 Government Tax Fund, the Build Illinois Fund, the McCormick
12 Place Expansion Project Fund, the Illinois Tax Increment Fund,
13 and the Tax Compliance and Administration Fund as provided in
14 this Section, the Department shall pay each month into the
15 Road Fund the amount estimated to represent 64% of the net
16 revenue realized from the taxes imposed on motor fuel and
17 gasohol. Beginning on July 1, 2025, subject to the payment of
18 amounts into the County and Mass Transit District Fund, the
19 Local Government Tax Fund, the Build Illinois Fund, the
20 McCormick Place Expansion Project Fund, the Illinois Tax
21 Increment Fund, and the Tax Compliance and Administration Fund
22 as provided in this Section, the Department shall pay each
23 month into the Road Fund the amount estimated to represent 80%
24 of the net revenue realized from the taxes imposed on motor
25 fuel and gasohol. As used in this paragraph "motor fuel" has
26 the meaning given to that term in Section 1.1 of the Motor Fuel

1 Tax Law, and "gasohol" has the meaning given to that term in
2 Section 3-40 of the Use Tax Act.

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

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

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

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

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

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

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

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

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

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

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

23 Any person who promotes, organizes, or provides retail
24 selling space for concessionaires or other types of sellers at
25 the Illinois State Fair, DuQuoin State Fair, county fairs,
26 local fairs, art shows, flea markets, and similar exhibitions

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

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

1 business of selling tangible personal property at retail at
2 the exhibition or event, or other evidence of a significant
3 risk of loss of revenue to the State. The Department shall
4 notify concessionaires and other sellers affected by the
5 imposition of this requirement. In the absence of notification
6 by the Department, the concessionaires and other sellers shall
7 file their returns as otherwise required in this Section.

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

15 (35 ILCS 120/4) (from Ch. 120, par. 443)

16 Sec. 4. As soon as practicable after any return is filed,
17 the Department shall examine such return and shall, if
18 necessary, correct such return according to its best judgment
19 and information. If the correction of a return results in an
20 amount of tax that is understated on the taxpayer's return due
21 to a mathematical error, the Department shall notify the
22 taxpayer that the amount of tax in excess of that shown on the
23 return is due and has been assessed. The term "mathematical
24 error" means arithmetic errors or incorrect computations on
25 the return or supporting schedules. No such notice of

1 additional tax due shall be issued on and after each July 1 and
2 January 1 covering gross receipts received during any month or
3 period of time more than 3 years prior to such July 1 and
4 January 1, respectively. Such notice of additional tax due
5 shall not be considered a notice of tax liability nor shall the
6 taxpayer have any right of protest. In the event that the
7 return is corrected for any reason other than a mathematical
8 error, any return so corrected by the Department shall be
9 prima facie correct and shall be prima facie evidence of the
10 correctness of the amount of tax due, as shown therein. In
11 correcting transaction by transaction reporting returns
12 provided for in Section 3 of this Act, it shall be permissible
13 for the Department to show a single corrected return figure
14 for any given period of a calendar month instead of having to
15 correct each transaction by transaction return form
16 individually and having to show a corrected return figure for
17 each of such transaction by transaction return forms. In
18 making a correction of transaction by transaction, monthly or
19 quarterly returns covering a period of 6 months or more, it
20 shall be permissible for the Department to show a single
21 corrected return figure for any given 6-month period.

22 For sales sourced under this Act to the Illinois location
23 to which the tangible personal property is shipped or
24 delivered or at which possession is taken by the purchaser, if
25 the taxpayer fails to provide the information, schedules, or
26 supporting documents necessary to determine such location, the

1 Department shall, in lieu of imposing a penalty for an
2 unprocessable return under the Uniform Penalty and Interest
3 Act, assess tax on the gross receipts of such sales at the rate
4 of 15%.

5 Instead of requiring the person filing such return to file
6 an amended return, the Department may simply notify him of the
7 correction or corrections it has made.

8 Proof of such correction by the Department may be made at
9 any hearing before the Department or the Illinois Independent
10 Tax Tribunal or in any legal proceeding by a reproduced copy or
11 computer print-out of the Department's record relating thereto
12 in the name of the Department under the certificate of the
13 Director of Revenue. If reproduced copies of the Department's
14 records are offered as proof of such correction, the Director
15 must certify that those copies are true and exact copies of
16 records on file with the Department. If computer print-outs of
17 the Department's records are offered as proof of such
18 correction, the Director must certify that those computer
19 print-outs are true and exact representations of records
20 properly entered into standard electronic computing equipment,
21 in the regular course of the Department's business, at or
22 reasonably near the time of the occurrence of the facts
23 recorded, from trustworthy and reliable information. Such
24 certified reproduced copy or certified computer print-out
25 shall without further proof, be admitted into evidence before
26 the Department or in any legal proceeding and shall be prima

1 facie proof of the correctness of the amount of tax due, as
2 shown therein.

3 If the tax computed upon the basis of the gross receipts as
4 fixed by the Department is greater than the amount of tax due
5 under the return or returns as filed, the Department shall (or
6 if the tax or any part thereof that is admitted to be due by a
7 return or returns, whether filed on time or not, is not paid,
8 the Department may) issue the taxpayer a notice of tax
9 liability for the amount of tax claimed by the Department to be
10 due, together with a penalty in an amount determined in
11 accordance with Section 3-3 of the Uniform Penalty and
12 Interest Act. Provided, that if the incorrectness of any
13 return or returns as determined by the Department is due to
14 negligence or fraud, said penalty shall be in an amount
15 determined in accordance with Section 3-5 or Section 3-6 of
16 the Uniform Penalty and Interest Act, as the case may be. If
17 the notice of tax liability is not based on a correction of the
18 taxpayer's return or returns, but is based on the taxpayer's
19 failure to pay all or a part of the tax admitted by his return
20 or returns (whether filed on time or not) to be due, such
21 notice of tax liability shall be prima facie correct and shall
22 be prima facie evidence of the correctness of the amount of tax
23 due, as shown therein.

24 Proof of such notice of tax liability by the Department
25 may be made at any hearing before the Department or the
26 Illinois Independent Tax Tribunal or in any legal proceeding

1 by a reproduced copy of the Department's record relating
2 thereto in the name of the Department under the certificate of
3 the Director of Revenue. Such reproduced copy shall without
4 further proof, be admitted into evidence before the Department
5 or in any legal proceeding and shall be prima facie proof of
6 the correctness of the amount of tax due, as shown therein.

7 If the person filing any return dies or becomes a person
8 under legal disability at any time before the Department
9 issues its notice of tax liability, such notice shall be
10 issued to the administrator, executor or other legal
11 representative, as such, of such person.

12 Except in case of a fraudulent return, or in the case of an
13 amended return (where a notice of tax liability may be issued
14 on or after each January 1 and July 1 for an amended return
15 filed not more than 3 years prior to such January 1 or July 1,
16 respectively), no notice of tax liability shall be issued on
17 and after each January 1 and July 1 covering gross receipts
18 received during any month or period of time more than 3 years
19 prior to such January 1 and July 1, respectively. If, before
20 the expiration of the time prescribed in this Section for the
21 issuance of a notice of tax liability, both the Department and
22 the taxpayer have consented in writing to its issuance after
23 such time, such notice may be issued at any time prior to the
24 expiration of the period agreed upon. The period so agreed
25 upon may be extended by subsequent agreements in writing made
26 before the expiration of the period previously agreed upon.

1 The foregoing limitations upon the issuance of a notice of tax
2 liability shall not apply to the issuance of a notice of tax
3 liability with respect to any period of time prior thereto in
4 cases where the Department has, within the period of
5 limitation then provided, notified the person making the
6 return of a notice of tax liability even though such return,
7 with which the tax that was shown by such return to be due was
8 paid when the return was filed, had not been corrected by the
9 Department in the manner required herein prior to the issuance
10 of such notice, but in no case shall the amount of any such
11 notice of tax liability for any period otherwise barred by
12 this Act exceed for such period the amount shown in the notice
13 of tax liability theretofore issued.

14 If, when a tax or penalty under this Act becomes due and
15 payable, the person alleged to be liable therefor is out of the
16 State, the notice of tax liability may be issued within the
17 times herein limited after his coming into or return to the
18 State; and if, after the tax or penalty under this Act becomes
19 due and payable, the person alleged to be liable therefor
20 departs from and remains out of the State, the time of his or
21 her absence is no part of the time limited for the issuance of
22 the notice of tax liability; but the foregoing provisions
23 concerning absence from the State shall not apply to any case
24 in which, at the time when a tax or penalty becomes due under
25 this Act, the person allegedly liable therefor is not a
26 resident of this State.

1 The time limitation period on the Department's right to
2 issue a notice of tax liability shall not run during any period
3 of time in which the Order of any Court has the effect of
4 enjoining or restraining the Department from issuing the
5 notice of tax liability.

6 If such person or legal representative shall within 60
7 days after such notice of tax liability file a protest to said
8 notice of tax liability with the Department and request a
9 hearing thereon, the Department shall give notice to such
10 person or legal representative of the time and place fixed for
11 such hearing and shall hold a hearing in conformity with the
12 provisions of this Act, and pursuant thereto shall issue to
13 such person or legal representative a final assessment for the
14 amount found to be due as a result of such hearing. On or after
15 July 1, 2013, protests concerning matters that are subject to
16 the jurisdiction of the Illinois Independent Tax Tribunal
17 shall be filed with the Illinois Independent Tax Tribunal in
18 accordance with the Illinois Independent Tax Tribunal Act of
19 2012, and hearings concerning those matters shall be held
20 before the Tribunal in accordance with that Act. The Tribunal
21 shall give notice to such person of the time and place fixed
22 for such hearing and shall hold a hearing. With respect to
23 protests filed with the Department prior to July 1, 2013 that
24 would otherwise be subject to the jurisdiction of the Illinois
25 Independent Tax Tribunal, the taxpayer may elect to be subject
26 to the provisions of the Illinois Independent Tax Tribunal Act

1 of 2012 at any time on or after July 1, 2013, but not later
2 than 30 days after the date on which the protest was filed. If
3 made, the election shall be irrevocable.

4 If a protest to the notice of tax liability and a request
5 for a hearing thereon is not filed within 60 days after such
6 notice, such notice of tax liability shall become final
7 without the necessity of a final assessment being issued and
8 shall be deemed to be a final assessment.

9 Notwithstanding any other provisions of this Act, any
10 amount paid as tax or in respect of tax paid under this Act,
11 other than amounts paid as quarter-monthly payments, shall be
12 deemed assessed upon the date of receipt of payment.

13 After the issuance of a final assessment, or a notice of
14 tax liability which becomes final without the necessity of
15 actually issuing a final assessment as hereinbefore provided,
16 the Department, at any time before such assessment is reduced
17 to judgment, may (subject to rules of the Department) grant a
18 rehearing (or grant departmental review and hold an original
19 hearing if no previous hearing in the matter has been held)
20 upon the application of the person aggrieved. Pursuant to such
21 hearing or rehearing, the Department shall issue a revised
22 final assessment to such person or his legal representative
23 for the amount found to be due as a result of such hearing or
24 rehearing.

25 (Source: P.A. 103-9, eff. 1-1-24.)

1 (35 ILCS 120/5) (from Ch. 120, par. 444)

2 Sec. 5. In case any person engaged in the business of
3 selling tangible personal property at retail fails to file a
4 return when and as herein required, but thereafter, prior to
5 the Department's issuance of a notice of tax liability under
6 this Section, files a return and pays the tax, he shall also
7 pay a penalty in an amount determined in accordance with
8 Section 3-3 of the Uniform Penalty and Interest Act.

9 In case any person engaged in the business of selling
10 tangible personal property at retail files the return at the
11 time required by this Act but fails to pay the tax, or any part
12 thereof, when due, a penalty in an amount determined in
13 accordance with Section 3-3 of the Uniform Penalty and
14 Interest Act shall be added thereto.

15 In case any person engaged in the business of selling
16 tangible personal property at retail fails to file a return
17 when and as herein required, but thereafter, prior to the
18 Department's issuance of a notice of tax liability under this
19 Section, files a return but fails to pay the entire tax, a
20 penalty in an amount determined in accordance with Section 3-3
21 of the Uniform Penalty and Interest Act shall be added
22 thereto.

23 In case any person engaged in the business of selling
24 tangible personal property at retail fails to file a return,
25 the Department shall determine the amount of tax due from him
26 according to its best judgment and information, which amount

1 so fixed by the Department shall be prima facie correct and
2 shall be prima facie evidence of the correctness of the amount
3 of tax due, as shown in such determination. In making any such
4 determination of tax due, it shall be permissible for the
5 Department to show a figure that represents the tax due for any
6 given period of 6 months instead of showing the amount of tax
7 due for each month separately. Proof of such determination by
8 the Department may be made at any hearing before the
9 Department or in any legal proceeding by a reproduced copy or
10 computer print-out of the Department's record relating thereto
11 in the name of the Department under the certificate of the
12 Director of Revenue. If reproduced copies of the Department's
13 records are offered as proof of such determination, the
14 Director must certify that those copies are true and exact
15 copies of records on file with the Department. If computer
16 print-outs of the Department's records are offered as proof of
17 such determination, the Director must certify that those
18 computer print-outs are true and exact representations of
19 records properly entered into standard electronic computing
20 equipment, in the regular course of the Department's business,
21 at or reasonably near the time of the occurrence of the facts
22 recorded, from trustworthy and reliable information. Such
23 certified reproduced copy or certified computer print-out
24 shall, without further proof, be admitted into evidence before
25 the Department or in any legal proceeding and shall be prima
26 facie proof of the correctness of the amount of tax due, as

1 shown therein. The Department shall issue the taxpayer a
2 notice of tax liability for the amount of tax claimed by the
3 Department to be due, together with a penalty of 30% thereof.

4 For sales sourced under this Act to the Illinois location
5 to which the tangible personal property is shipped or
6 delivered or at which possession is taken by the purchaser, if
7 the taxpayer fails to provide the information, schedules, or
8 supporting documents necessary to determine such location, the
9 Department shall, in lieu of imposing a penalty for an
10 unprocessable return under the Uniform Penalty and Interest
11 Act, assess tax on the gross receipts of such sales at the rate
12 of 15%.

13 However, where the failure to file any tax return required
14 under this Act on the date prescribed therefor (including any
15 extensions thereof), is shown to be unintentional and
16 nonfraudulent and has not occurred in the 2 years immediately
17 preceding the failure to file on the prescribed date or is due
18 to other reasonable cause the penalties imposed by this Act
19 shall not apply.

20 The taxpayer or the taxpayer's legal representative may,
21 within 60 days after such notice, file a protest to such notice
22 of tax liability with the Department and request a hearing
23 thereon. The Department shall give notice to such person or
24 the legal representative of such person of the time and place
25 fixed for such hearing, and shall hold a hearing in conformity
26 with the provisions of this Act, and pursuant thereto shall

1 issue a final assessment to such person or to the legal
2 representative of such person for the amount found to be due as
3 a result of such hearing. On and after July 1, 2013, protests
4 concerning matters that are under the jurisdiction of the
5 Illinois Independent Tax Tribunal shall be filed with the
6 Illinois Independent Tax Tribunal in accordance with the
7 Illinois Independent Tax Tribunal Act of 2012, and hearings
8 concerning those matters shall be held before the Tribunal in
9 accordance with that Act. With respect to protests filed with
10 the Illinois Independent Tax Tribunal, the Tribunal shall give
11 notice to that person or the legal representative of that
12 person of the time and place fixed for a hearing, and shall
13 hold a hearing in conformity with the provisions of this Act
14 and the Illinois Independent Tax Tribunal Act of 2012; and
15 pursuant thereto the Department shall issue a final assessment
16 to such person or to the legal representative of such person
17 for the amount found to be due as a result of the hearing. With
18 respect to protests filed with the Department prior to July 1,
19 2013 that would otherwise be subject to the jurisdiction of
20 the Illinois Independent Tax Tribunal, the taxpayer may elect
21 to be subject to the provisions of the Illinois Independent
22 Tax Tribunal Act of 2012 at any time on or after July 1, 2013,
23 but not later than 30 days after the date on which the protest
24 was filed. If made, the election shall be irrevocable.

25 If a protest to the notice of tax liability and a request
26 for a hearing thereon is not filed within 60 days after such

1 notice, such notice of tax liability shall become final
2 without the necessity of a final assessment being issued and
3 shall be deemed to be a final assessment.

4 After the issuance of a final assessment, or a notice of
5 tax liability which becomes final without the necessity of
6 actually issuing a final assessment as hereinbefore provided,
7 the Department, at any time before such assessment is reduced
8 to judgment, may (subject to rules of the Department) grant a
9 rehearing (or grant departmental review and hold an original
10 hearing if no previous hearing in the matter has been held)
11 upon the application of the person aggrieved. Pursuant to such
12 hearing or rehearing, the Department shall issue a revised
13 final assessment to such person or his legal representative
14 for the amount found to be due as a result of such hearing or
15 rehearing.

16 Except in case of failure to file a return, or with the
17 consent of the person to whom the notice of tax liability is to
18 be issued, no notice of tax liability shall be issued on and
19 after each July 1 and January 1 covering gross receipts
20 received during any month or period of time more than 3 years
21 prior to such July 1 and January 1, respectively, except that
22 if a return is not filed at the required time, no notice of tax
23 liability may be issued on and after each July 1 and January 1
24 for such return filed more than 3 years prior to such July 1
25 and January 1, respectively. The foregoing limitations upon
26 the issuance of a notice of tax liability shall not apply to

1 the issuance of any such notice with respect to any period of
2 time prior thereto in cases where the Department has, within
3 the period of limitation then provided, notified a person of
4 the amount of tax computed even though the Department had not
5 determined the amount of tax due from such person in the manner
6 required herein prior to the issuance of such notice, but in no
7 case shall the amount of any such notice of tax liability for
8 any period otherwise barred by this Act exceed for such period
9 the amount shown in the notice theretofore issued.

10 If, when a tax or penalty under this Act becomes due and
11 payable, the person alleged to be liable therefor is out of the
12 State, the notice of tax liability may be issued within the
13 times herein limited after his or her coming into or return to
14 the State; and if, after the tax or penalty under this Act
15 becomes due and payable, the person alleged to be liable
16 therefor departs from and remains out of the State, the time of
17 his or her absence is no part of the time limited for the
18 issuance of the notice of tax liability; but the foregoing
19 provisions concerning absence from the State shall not apply
20 to any case in which, at the time when a tax or penalty becomes
21 due under this Act, the person allegedly liable therefor is
22 not a resident of this State.

23 The time limitation period on the Department's right to
24 issue a notice of tax liability shall not run during any period
25 of time in which the order of any court has the effect of
26 enjoining or restraining the Department from issuing the

1 notice of tax liability.

2 In case of failure to pay the tax, or any portion thereof,
3 or any penalty provided for in this Act, or interest, when due,
4 the Department may bring suit to recover the amount of such
5 tax, or portion thereof, or penalty or interest; or, if the
6 taxpayer has died or become a person under legal disability,
7 may file a claim therefor against his estate; provided that no
8 such suit with respect to any tax, or portion thereof, or
9 penalty, or interest shall be instituted more than 6 years
10 after the date any proceedings in court for review thereof
11 have terminated or the time for the taking thereof has expired
12 without such proceedings being instituted, except with the
13 consent of the person from whom such tax or penalty or interest
14 is due; nor, except with such consent, shall such suit be
15 instituted more than 6 years after the date any return is filed
16 with the Department in cases where the return constitutes the
17 basis for the suit for unpaid tax, or portion thereof, or
18 penalty provided for in this Act, or interest: Provided that
19 the time limitation period on the Department's right to bring
20 any such suit shall not run during any period of time in which
21 the order of any court has the effect of enjoining or
22 restraining the Department from bringing such suit.

23 After the expiration of the period within which the person
24 assessed may file an action for judicial review under the
25 Administrative Review Law or the Illinois Independent Tax
26 Tribunal Act of 2012, as applicable, without such an action

1 being filed, a certified copy of the final assessment or
2 revised final assessment of the Department may be filed with
3 the Circuit Court of the county in which the taxpayer has his
4 principal place of business, or of Sangamon County in those
5 cases in which the taxpayer does not have his principal place
6 of business in this State. The certified copy of the final
7 assessment or revised final assessment shall be accompanied by
8 a certification which recites facts that are sufficient to
9 show that the Department complied with the jurisdictional
10 requirements of the Act in arriving at its final assessment or
11 its revised final assessment and that the taxpayer had his
12 opportunity for an administrative hearing and for judicial
13 review, whether he availed himself or herself of either or
14 both of these opportunities or not. If the court is satisfied
15 that the Department complied with the jurisdictional
16 requirements of the Act in arriving at its final assessment or
17 its revised final assessment and that the taxpayer had his
18 opportunity for an administrative hearing and for judicial
19 review, whether he availed himself of either or both of these
20 opportunities or not, the court shall render judgment in favor
21 of the Department and against the taxpayer for the amount
22 shown to be due by the final assessment or the revised final
23 assessment, plus any interest which may be due, and such
24 judgment shall be entered in the judgment docket of the court.
25 Such judgment shall bear the rate of interest as set by the
26 Uniform Penalty and Interest Act, but otherwise shall have the

1 same effect as other judgments. The judgment may be enforced,
2 and all laws applicable to sales for the enforcement of a
3 judgment shall be applicable to sales made under such
4 judgments. The Department shall file the certified copy of its
5 assessment, as herein provided, with the Circuit Court within
6 6 years after such assessment becomes final except when the
7 taxpayer consents in writing to an extension of such filing
8 period, and except that the time limitation period on the
9 Department's right to file the certified copy of its
10 assessment with the Circuit Court shall not run during any
11 period of time in which the order of any court has the effect
12 of enjoining or restraining the Department from filing such
13 certified copy of its assessment with the Circuit Court.

14 If, when the cause of action for a proceeding in court
15 accrues against a person, he or she is out of the State, the
16 action may be commenced within the times herein limited, after
17 his or her coming into or return to the State; and if, after
18 the cause of action accrues, he or she departs from and remains
19 out of the State, the time of his or her absence is no part of
20 the time limited for the commencement of the action; but the
21 foregoing provisions concerning absence from the State shall
22 not apply to any case in which, at the time the cause of action
23 accrues, the party against whom the cause of action accrues is
24 not a resident of this State. The time within which a court
25 action is to be commenced by the Department hereunder shall
26 not run from the date the taxpayer files a petition in

1 bankruptcy under the Federal Bankruptcy Act until 30 days
2 after notice of termination or expiration of the automatic
3 stay imposed by the Federal Bankruptcy Act.

4 No claim shall be filed against the estate of any deceased
5 person or any person under legal disability for any tax or
6 penalty or part of either, or interest, except in the manner
7 prescribed and within the time limited by the Probate Act of
8 1975, as amended.

9 The collection of tax or penalty or interest by any means
10 provided for herein shall not be a bar to any prosecution under
11 this Act.

12 In addition to any penalty provided for in this Act, any
13 amount of tax which is not paid when due shall bear interest at
14 the rate and in the manner specified in Sections 3-2 and 3-9 of
15 the Uniform Penalty and Interest Act from the date when such
16 tax becomes past due until such tax is paid or a judgment
17 therefor is obtained by the Department. If the time for making
18 or completing an audit of a taxpayer's books and records is
19 extended with the taxpayer's consent, at the request of and
20 for the convenience of the Department, beyond the date on
21 which the statute of limitations upon the issuance of a notice
22 of tax liability by the Department otherwise would run, no
23 interest shall accrue during the period of such extension or
24 until a Notice of Tax Liability is issued, whichever occurs
25 first.

26 In addition to any other remedy provided by this Act, and

1 regardless of whether the Department is making or intends to
2 make use of such other remedy, where a corporation or limited
3 liability company registered under this Act violates the
4 provisions of this Act or of any rule or regulation
5 promulgated thereunder, the Department may give notice to the
6 Attorney General of the identity of such a corporation or
7 limited liability company and of the violations committed by
8 such a corporation or limited liability company, for such
9 action as is not already provided for by this Act and as the
10 Attorney General may deem appropriate.

11 If the Department determines that an amount of tax or
12 penalty or interest was incorrectly assessed, whether as the
13 result of a mistake of fact or an error of law, the Department
14 shall waive the amount of tax or penalty or interest that
15 accrued due to the incorrect assessment.

16 (Source: P.A. 97-1129, eff. 8-28-12; 98-463, eff. 8-16-13;
17 98-584, eff. 8-27-13.)

18 (35 ILCS 120/6) (from Ch. 120, par. 445)

19 Sec. 6. Credit memorandum or refund. If it appears, after
20 claim therefor filed with the Department, that an amount of
21 tax or penalty or interest has been paid which was not due
22 under this Act, whether as the result of a mistake of fact or
23 an error of law, except as hereinafter provided, then the
24 Department shall issue a credit memorandum or refund to the
25 person who made the erroneous payment or, if that person died

1 or became a person under legal disability, to his or her legal
2 representative, as such. For purposes of this Section, the tax
3 is deemed to be erroneously paid by a retailer when the
4 manufacturer of a motor vehicle sold by the retailer accepts
5 the return of that automobile and refunds to the purchaser the
6 selling price of that vehicle as provided in the New Vehicle
7 Buyer Protection Act. When a motor vehicle is returned for a
8 refund of the purchase price under the New Vehicle Buyer
9 Protection Act, the Department shall issue a credit memorandum
10 or a refund for the amount of tax paid by the retailer under
11 this Act attributable to the initial sale of that vehicle.
12 Claims submitted by the retailer are subject to the same
13 restrictions and procedures provided for in this Act. If it is
14 determined that the Department should issue a credit
15 memorandum or refund, the Department may first apply the
16 amount thereof against any tax or penalty or interest due or to
17 become due under this Act or under the Use Tax Act, the Service
18 Occupation Tax Act, the Service Use Tax Act, or any local
19 occupation or use tax administered by the Department, ~~Section~~
20 ~~4 of the Water Commission Act of 1985, subsections (b), (c) and~~
21 ~~(d) of Section 5.01 of the Local Mass Transit District Act, or~~
22 ~~subsections (e), (f) and (g) of Section 4.03 of the Regional~~
23 ~~Transportation Authority Act,~~ from the person who made the
24 erroneous payment. If no tax or penalty or interest is due and
25 no proceeding is pending to determine whether such person is
26 indebted to the Department for tax or penalty or interest, the

1 credit memorandum or refund shall be issued to the claimant;
2 or (in the case of a credit memorandum) the credit memorandum
3 may be assigned and set over by the lawful holder thereof,
4 subject to reasonable rules of the Department, to any other
5 person who is subject to this Act, the Use Tax Act, the Service
6 Occupation Tax Act, the Service Use Tax Act, or any local
7 occupation or use tax administered by the Department, ~~Section~~
8 ~~4 of the Water Commission Act of 1985, subsections (b), (c) and~~
9 ~~(d) of Section 5.01 of the Local Mass Transit District Act, or~~
10 ~~subsections (e), (f) and (g) of Section 4.03 of the Regional~~
11 ~~Transportation Authority Act,~~ and the amount thereof applied
12 by the Department against any tax or penalty or interest due or
13 to become due under this Act or under the Use Tax Act, the
14 Service Occupation Tax Act, the Service Use Tax Act, or any
15 local occupation or use tax administered by the Department,
16 ~~Section 4 of the Water Commission Act of 1985, subsections~~
17 ~~(b), (c) and (d) of Section 5.01 of the Local Mass Transit~~
18 ~~District Act, or subsections (e), (f) and (g) of Section 4.03~~
19 ~~of the Regional Transportation Authority Act,~~ from such
20 assignee. However, as to any claim for credit or refund filed
21 with the Department on and after each January 1 and July 1 no
22 amount of tax or penalty or interest erroneously paid (either
23 in total or partial liquidation of a tax or penalty or amount
24 of interest under this Act) more than 3 years prior to such
25 January 1 and July 1, respectively, shall be credited or
26 refunded, except that if both the Department and the taxpayer

1 have agreed to an extension of time to issue a notice of tax
2 liability as provided in Section 4 of this Act, such claim may
3 be filed at any time prior to the expiration of the period
4 agreed upon. Notwithstanding any other provision of this Act
5 to the contrary, for any period included in a claim for credit
6 or refund for which the statute of limitations for issuing a
7 notice of tax liability under this Act will expire less than 6
8 months after the date a taxpayer files the claim for credit or
9 refund, the statute of limitations is automatically extended
10 for 6 months from the date it would have otherwise expired.

11 No claim may be allowed for any amount paid to the
12 Department, whether paid voluntarily or involuntarily, if paid
13 in total or partial liquidation of an assessment which had
14 become final before the claim for credit or refund to recover
15 the amount so paid is filed with the Department, or if paid in
16 total or partial liquidation of a judgment or order of court.
17 No credit may be allowed or refund made for any amount paid by
18 or collected from any claimant unless it appears (a) that the
19 claimant bore the burden of such amount and has not been
20 relieved thereof nor reimbursed therefor and has not shifted
21 such burden directly or indirectly through inclusion of such
22 amount in the price of the tangible personal property sold by
23 him or her or in any manner whatsoever; and that no
24 understanding or agreement, written or oral, exists whereby he
25 or she or his or her legal representative may be relieved of
26 the burden of such amount, be reimbursed therefor or may shift

1 the burden thereof; or (b) that he or she or his or her legal
2 representative has repaid unconditionally such amount to his
3 or her vendee (1) who bore the burden thereof and has not
4 shifted such burden directly or indirectly, in any manner
5 whatsoever; (2) who, if he or she has shifted such burden, has
6 repaid unconditionally such amount to his own vendee; and (3)
7 who is not entitled to receive any reimbursement therefor from
8 any other source than from his or her vendor, nor to be
9 relieved of such burden in any manner whatsoever. No credit
10 may be allowed or refund made for any amount paid by or
11 collected from any claimant unless it appears that the
12 claimant has unconditionally repaid, to the purchaser, any
13 amount collected from the purchaser and retained by the
14 claimant with respect to the same transaction under the Use
15 Tax Act.

16 Any credit or refund that is allowed under this Section
17 shall bear interest at the rate and in the manner specified in
18 the Uniform Penalty and Interest Act.

19 In case the Department determines that the claimant is
20 entitled to a refund, such refund shall be made only from the
21 Aviation Fuel Sales Tax Refund Fund or from such appropriation
22 as may be available for that purpose, as appropriate. If it
23 appears unlikely that the amount available would permit
24 everyone having a claim allowed during the period covered by
25 such appropriation or from the Aviation Fuel Sales Tax Refund
26 Fund, as appropriate, to elect to receive a cash refund, the

1 Department, by rule or regulation, shall provide for the
2 payment of refunds in hardship cases and shall define what
3 types of cases qualify as hardship cases.

4 If a retailer who has failed to pay retailers' occupation
5 tax on gross receipts from retail sales is required by the
6 Department to pay such tax, such retailer, without filing any
7 formal claim with the Department, shall be allowed to take
8 credit against such retailers' occupation tax liability to the
9 extent, if any, to which such retailer has paid an amount
10 equivalent to retailers' occupation tax or has paid use tax in
11 error to his or her vendor or vendors of the same tangible
12 personal property which such retailer bought for resale and
13 did not first use before selling it, and no penalty or interest
14 shall be charged to such retailer on the amount of such credit.
15 However, when such credit is allowed to the retailer by the
16 Department, the vendor is precluded from refunding any of that
17 tax to the retailer and filing a claim for credit or refund
18 with respect thereto with the Department. The provisions of
19 this amendatory Act shall be applied retroactively, regardless
20 of the date of the transaction.

21 (Source: P.A. 101-10, eff. 6-5-19; 102-40, eff. 6-25-21.)

22 Section 25. The Leveling the Playing Field for Illinois
23 Retail Act is amended by changing Sections 5-5, 5-10, 5-25,
24 5-27, and 5-30 as follows:

1 (35 ILCS 185/5-5)

2 Sec. 5-5. Findings. The General Assembly finds that
3 certified service providers and certified automated systems
4 simplify use and occupation tax compliance for remote
5 retailers, retailers maintaining a place of business in this
6 State, and servicemen maintaining a place of business in this
7 State, which fosters higher levels of accurate tax collection
8 and remittance and generates administrative savings and new
9 marginal tax revenue for both State and local taxing
10 jurisdictions. By making the services of certified service
11 providers and certified automated systems available to remote
12 retailers, retailers maintaining a place of business in this
13 State, and servicemen maintaining a place of business in this
14 State as provided in this Act, the State will substantially
15 eliminate the burden on those remote retailers, retailers
16 maintaining a place of business in this State, and servicemen
17 maintaining a place of business in this State to collect and
18 remit both State and local taxing jurisdiction use and
19 occupation taxes. While providing a means for remote
20 retailers, retailers maintaining a place of business in this
21 State, and servicemen maintaining a place of business in this
22 State to collect and remit tax on an even basis with Illinois
23 retailers, this Act also protects existing local tax revenue
24 streams by retaining origin sourcing for all transactions by
25 retailers and servicemen maintaining a physical presence in
26 Illinois on sales made to Illinois customers from a location

1 or locations inside of Illinois.

2 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20;
3 102-634, eff. 8-27-21.)

4 (35 ILCS 185/5-10)

5 Sec. 5-10. Definitions. As used in this Act:

6 "Certified service provider" means an agent certified by
7 the Department to perform the ~~remote retailer's~~ use and
8 occupation tax functions of remote retailers, retailers
9 maintaining a place of business in this State, and servicemen
10 maintaining a place of business in this State, as outlined in
11 the contract between the State and the certified service
12 provider.

13 "Certified automated system" means an automated software
14 system that is certified by the State as meeting all
15 performance and tax calculation standards required by
16 Department rules.

17 "Department" means the Department of Revenue.

18 "Remote retailer" means a retailer as defined in Section 1
19 of the Retailers' Occupation Tax Act that has an obligation to
20 collect State and local retailers' occupation tax under
21 subsection (b) of Section 2 of the Retailers' Occupation Tax
22 Act.

23 "Retailer maintaining a place of business in this State"
24 has the meaning given to that term in Section 2 of the Use Tax
25 Act.

1 "Retailers' occupation tax" means the tax levied under the
2 Retailers' Occupation Tax Act and all applicable local
3 retailers' occupation taxes collected by the Department in
4 conjunction with the State retailers' occupation tax.

5 "Serviceman maintaining a place of business in this State"
6 has the meaning given to that term in Section 2 of the Service
7 Use Tax Act.

8 "Service occupation tax" means the tax levied under the
9 Service Occupation Tax Act and all applicable local service
10 occupation taxes collected by the Department in conjunction
11 with the State service occupation tax.

12 (Source: P.A. 101-31, eff. 6-28-19.)

13 (35 ILCS 185/5-25)

14 Sec. 5-25. Certification.

15 (a) The Department shall, no later than July 1, 2020:

16 (1) establish uniform minimum standards that companies
17 wishing to be designated as a certified service provider
18 in this State must meet;

19 (2) establish uniform minimum standards that certified
20 automated systems must meet;

21 (3) establish a certification process to review the
22 systems of companies wishing to be designated as a
23 certified service provider in this State or of companies
24 wishing to use a certified automated process; this
25 certification process shall provide that companies that

1 meet all required standards and whose systems have been
2 tested and approved by the Department for properly
3 determining the taxability of items to be sold, the
4 correct tax rate to apply to a transaction, and the
5 appropriate jurisdictions to which the tax shall be
6 remitted, shall be certified;

7 (4) enter into a contractual relationship with each
8 company that qualifies as a certified service provider;
9 those contracts shall, at a minimum, provide:

10 (A) that the certified service provider shall be
11 held liable for the tax imposed under this Act and the
12 Use Tax Act and all applicable local occupation taxes
13 administered by the Department if the certified
14 service provider fails to correctly remit the tax
15 after having been provided with the tax and
16 information by a remote retailer, retailer maintaining
17 a place of business in this State, or serviceman
18 maintaining a place of business in this State to
19 correctly remit the taxes imposed under this Act and
20 the Use Tax Act and all applicable local occupation
21 taxes administered by the Department; if the certified
22 service provider demonstrates to the satisfaction of
23 the Department that its failure to correctly remit tax
24 on a retail sale resulted from the certified service
25 provider's good faith reliance on incorrect or
26 insufficient information provided by the remote

1 retailer, retailer maintaining a place of business in
2 this State, or serviceman maintaining a place of
3 business in this State, the certified service provider
4 shall be relieved of liability for the tax on that
5 retail sale; in that case, the remote retailer,
6 retailer maintaining a place of business in this
7 State, or serviceman maintaining a place of business
8 in this State is liable for any resulting tax due;

9 (B) the responsibilities of the certified service
10 provider and the remote retailers, retailers
11 maintaining a place of business in this State, or
12 servicemen maintaining a place of business in this
13 State that contract with the certified service
14 provider related to record keeping and auditing
15 consistent with requirements imposed under the
16 Retailers' Occupation Tax Act and the Use Tax Act;

17 (C) for the protection and confidentiality of tax
18 information consistent with requirements imposed under
19 the Retailers' Occupation Tax Act and the Use Tax Act;

20 (D) that a certified service provider may claim
21 the discount provided for in Section 3 of the
22 Retailers' Occupation Tax Act or Section 9 of the
23 Service Occupation Tax Act for the tax dollars it
24 collects and timely remits on returns that are timely
25 filed with the Department on behalf of remote
26 retailers , retailers maintaining a place of business

1 in this State, or servicemen maintaining a place of
2 business in this State; remote retailers, retailers
3 maintaining a place of business in this State, or
4 servicemen maintaining a place of business in this
5 State using a certified service provider may not claim
6 the discount allowed in Section 3 of the Retailers'
7 Occupation Tax Act or Section 9 of the Service
8 Occupation Tax Act with respect to those collections;
9 and

10 (E) that the certified service provider shall file
11 a separate return for each remote retailer, retailer
12 maintaining a place of business in this State, or
13 serviceman maintaining a place of business in this
14 State with which it has a Tax Remittance Agreement.

15 The provisions of this Section shall supersede the
16 provisions of the Illinois Procurement Code.

17 (b) The Department may act jointly with other states to
18 establish the minimum standards and process for certification
19 required by paragraphs (1), (2), and (3) of subsection (a).

20 (c) When the systems of a certified service provider or
21 certified automated systems are updated or upgraded, they must
22 be recertified by the Department. Notification of changes
23 shall be provided to the Department prior to implementation.
24 Upon receipt of such notification, the Department shall review
25 and test the changes to assess whether the updated system of
26 the certified service provider or the updated certified

1 automated system can properly determine the taxability of
2 items to be sold, the correct tax rate to apply to a
3 transaction, and the appropriate jurisdictions to which the
4 tax shall be remitted. The Department shall recertify updated
5 systems that meet these requirements. The certified service
6 provider or retailer using a certified automated system shall
7 be liable for any tax resulting from errors caused by use of an
8 updated or upgraded system prior to recertification by the
9 Department. In addition to these procedures, the Department
10 may periodically review the system of a certified service
11 provider or the certified automated system used by a retailer
12 to ensure that the system can properly determine the
13 taxability of items to be sold, the correct tax rate to apply
14 to a transaction, and the appropriate jurisdictions to which
15 the tax shall be remitted.

16 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20;
17 102-634, eff. 8-27-21.)

18 (35 ILCS 185/5-27)

19 Sec. 5-27. Tax remittance agreement.

20 (a) Before using the services of a certified service
21 provider to remit taxes, remote retailers, retailers
22 maintaining a place of business in this State, and servicemen
23 maintaining a place of business in this State using a
24 certified service provider shall enter into a tax remittance
25 agreement with that certified service provider under which the

1 certified service provider agrees to remit all State
2 retailers' occupation taxes, service occupation taxes ~~under~~
3 ~~this Act~~, use tax, service use tax, and local occupation taxes
4 administered by the Department for sales made by the remote
5 retailer, retailer maintaining a place of business in this
6 State, or serviceman maintaining a place of business in this
7 State. A copy of the tax remittance agreement shall be
8 electronically filed with the Department by the certified
9 service provider no later than 30 days prior to its effective
10 date.

11 (b) A certified service provider that has entered into a
12 tax remittance agreement with a remote retailer, retailer
13 maintaining a place of business in this State, or serviceman
14 maintaining a place of business in this State is required to
15 file all returns and remit all taxes required under the tax
16 remittance agreement, including all local occupation taxes
17 administered by the Department, with respect to all sales for
18 which there is not otherwise an exemption.

19 (Source: P.A. 101-604, eff. 1-1-20.)

20 (35 ILCS 185/5-30)

21 Sec. 5-30. Database; relief from liability; annual
22 verification; refunds.

23 (a) The Department shall, to the best of its ability,
24 utilize an electronic database to provide information
25 assigning purchaser addresses to the proper local taxing

1 jurisdiction.

2 (b) Remote retailers, retailers maintaining a place of
3 business in this State, and servicemen maintaining a place of
4 business in this State using certified service providers or
5 certified automated systems and their certified service
6 providers or certified automated systems providers are
7 relieved from liability to the State for having remitted the
8 incorrect amount of use or occupation tax resulting from a
9 certified service provider or certified automated system
10 relying, at the time of the sale, on: (1) erroneous data
11 provided by the State in database files on tax rates,
12 boundaries, or taxing jurisdictions; or (2) erroneous data
13 provided by the State concerning the taxability of products
14 and services.

15 (c) Beginning February 1, 2022 and on or before February 1
16 of each year thereafter, the Department shall make available
17 to each local taxing jurisdiction the taxing jurisdiction's
18 boundaries, determined by the Department, for its
19 verification. Jurisdictions shall verify these taxing
20 jurisdiction boundaries and notify the Department of any
21 changes, additions, or deletions by April 1 of each year in the
22 form and manner required by the Department. The Department
23 shall use its best judgment and information to confirm the
24 information provided by the taxing jurisdictions and update
25 its database. The Department shall administer and enforce such
26 changes on the first day of the next following July.

1 (d) The clerk of any municipality or county from which
2 territory has been annexed or disconnected shall notify the
3 Department of Revenue of that annexation or disconnection in
4 the form and manner required by the Department. Required
5 documentation shall include a certified copy of the plat of
6 annexation or, in the case of disconnection, the ordinance,
7 final judgment, or resolution of disconnection together with
8 an accurate depiction of the territory disconnected.
9 Notification shall be provided to the Department either (i) on
10 or before the first day of April, whereupon the Department
11 shall confirm the information provided by the municipality or
12 county and update its database and proceed to administer and
13 enforce the confirmed changes on the first day of July next
14 following the proper notification; or (ii) on or before the
15 first day of October, whereupon the Department shall confirm
16 the information provided by the municipality or county and
17 update its database and proceed to administer and enforce the
18 confirmed changes on the first day of January next following
19 proper notification.

20 (e) Nothing in this Section affects a customer's right to
21 seek a refund from the remote retailer, retailer maintaining a
22 place of business in this State, or serviceman maintaining a
23 place of business in this State as provided in this Act.

24 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20.)

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.".