**Section 130.540 Returns on a Transaction by Transaction Basis**

a) Who Must File Transaction Reporting Returns

*In addition, with respect to motor vehicles, watercraft, trailers, and aircraft (and implements of husbandry or special mobile equipment for which the purchaser intends to apply for an optional title), every retailer selling this kind of tangible personal property in Illinois shall file, with the Department, upon a form prescribed and supplied by the Department, a separate return for each such item of tangible personal property that the retailer sells, except that if, in the same transaction:*

1) *a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale; or*

2) *beginning January 1, 2001, a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as qualifying rolling stock* (see Section 130.340) *as provided in Section 2-5 of the Act;*

*then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form.* (Section 3 of the Act) For purposes of the exception in subsection (a)(2) above, retailers may only report multiple sales of items of like kind and character on a single uniform invoice-transaction reporting return form. For example, retailers may report the sale of 15 motor vehicles to a single purchaser on a single uniform invoice-transaction reporting return form. However, retailers may not report the sale of 10 trailers and 5 motor vehicles to a single purchaser on a single uniform invoice-transaction reporting return form. Such a sale requires one uniform invoice-transaction reporting return form for the trailers and a second uniform invoice-transaction reporting return form for the motor vehicles.

b) Function and Contents of Transaction Reporting Returns

1) The transaction reporting return prescribed and supplied to retailers by the Department not only shall serve as such return (for both the buyer and the seller), but also may serve as the dealer's invoice to the purchaser. Such forms will be numbered. The Department will keep a record of all of these forms which it supplies to a given retailer, and the retailer is responsible for accounting to the Department for all such forms. If a transaction reporting return form should be spoiled, the retailer should mark it "voided" and retain it in its books and records for 42 months. Transaction reporting returns are not transferable by one retailer to another, but must be filed with or otherwise accounted for to the Department by the retailer to whom the particular forms are issued by the Department.

2) Such transaction reporting return must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of Use Tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold, and such other information as the Department may reasonably require.

c) Transaction Reporting Returns, When Due, Transaction Reporting Returns in Lieu of Monthly Returns

1) Such transaction reporting return shall be filed not later than 20 days after the date of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if the retailer chooses to do so.

2) If a retailer's sales of tangible personal property are limited to sales of motor vehicles, aircraft, watercraft, or trailers that are required to be registered with an agency of this State, or a combination of these items, so that all of the retailer's Retailers' Occupation Tax liability is required to be reported, and is reported, on such transaction reporting returns, and such retailer is not otherwise required to file monthly returns, such retailer need not file monthly returns.

3) If a retailer of motor vehicles, aircraft, watercraft, or trailers that are required to be registered with an agency of this State, or a combination of these items, need not file a monthly return, such retailer shall be required to file returns on an annual basis.

4) *On and after January 1, 2023, with respect to retailers whose annual gross receipts average $20,000 or more, all returns required to be filed pursuant to* the *Act, including, but not limited to, returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.* [35 ILCS 120/3]

d) Transmittal of Transaction Reporting Return by Way of Titling or Registering Agency

The transaction reporting return and tax remittance or proof of exemption may be transmitted to the Department by way of the State agency with which, or State officer with whom, the tangible personal property must be titled or registered if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

e) Submission of Tax or Proof of Exemption with Transaction Reporting Returns – Issuance of Use Tax Receipt or Exemption Determination by Department of Revenue

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a Use Tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, the purchaser must title or register the tangible personal property that is involved in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

f) Issuance of Title or Registration Where Retailer Fails or Refuses to Remit Tax Collected by Retailer from User

No retailer's failure or refusal to remit tax hereunder shall preclude a user, who has paid the proper tax to the retailer, from obtaining a certificate of title or other evidence of title or registration upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer.

g) Direct Payment of Tax by User to Department on Intrastate Purchase under Certain Circumstances

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain a tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 1.75% discount being allowed. When the user pays the tax directly to the Department as aforesaid, the user shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

(Source: Amended at 47 Ill. Reg. 6309, effective April 18, 2023)