AN ACT concerning revenue.

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

ARTICLE 5. EDGE CREDIT

Section 5-5. The Economic Development for a Growing Economy Tax Credit Act is amended by changing Sections 5-5, 5-15, 5-20, and 5-77 as follows:

(35 ILCS 10/5-5)

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

"Agreement" means the Agreement between a Taxpayer and the Department under the provisions of Section 5-50 of this Act.

"Applicant" means a Taxpayer that is operating a business located or that the Taxpayer plans to locate within the State of Illinois and that is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, assembling, warehousing, or distributing products, conducting research and development, providing tourism services, or providing services in interstate commerce, office industries, or agricultural processing, but excluding retail, retail food, health, or professional services. "Applicant" does not include a Taxpayer who closes or substantially reduces an operation at one location in the State and relocates substantially the same
operation to another location in the State. This does not prohibit a Taxpayer from expanding its operations at another location in the State, provided that existing operations of a similar nature located within the State are not closed or substantially reduced. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation provided that the Department determines that expansion cannot reasonably be accommodated within the municipality in which the business is located, or in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Credit" means the amount agreed to between the Department and Applicant under this Act, but not to exceed the lesser of: (1) the sum of (i) 50% of the Incremental Income Tax attributable to New Employees at the Applicant's project and (ii) 10% of the training costs of New Employees; or (2) 100% of the Incremental Income Tax attributable to New Employees at the Applicant's project. However, if the project is located in an underserved area, then the amount of the Credit may not exceed the lesser of: (1) the sum of (i) 75% of the Incremental Income Tax attributable to New Employees at the Applicant's
project and (ii) 10% of the training costs of New Employees; or

(2) 100% of the Incremental Income Tax attributable to New Employees at the Applicant's project. If an Applicant agrees to hire the required number of New Employees, then the maximum amount of the Credit for that Applicant may be increased by an amount not to exceed 25% of the Incremental Income Tax attributable to retained employees at the Applicant's project; provided that, in order to receive the increase for retained employees, the Applicant must provide the additional evidence required under paragraph (3) of subsection (b) of Section 5-25.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of Commerce and Economic Opportunity.

"Full-time Employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. An individual for whom a W-2 is issued by a Professional Employer Organization (PEO) is a full-time employee if employed in the service of the Applicant for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment to Applicant.

"Incremental Income Tax" means the total amount withheld
during the taxable year from the compensation of New Employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project that is the subject of an Agreement.

"New Construction EDGE Agreement" means the Agreement between a Taxpayer and the Department under the provisions of Section 5-51 of this Act.

"New Construction EDGE Credit" means an amount agreed to between the Department and the Applicant under this Act as part of a New Construction EDGE Agreement that does not exceed 50% of the Incremental Income Tax attributable to New Construction EDGE Employees at the Applicant's project; however, if the New Construction EDGE Project is located in an underserved area, then the amount of the New Construction EDGE Credit may not exceed 75% of the Incremental Income Tax attributable to New Construction EDGE Employees at the Applicant's New Construction EDGE Project.

"New Construction EDGE Employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a New Construction EDGE Project, pursuant to a New Construction EDGE Agreement.

"New Construction EDGE Incremental Income Tax" means the total amount withheld during the taxable year from the compensation of New Construction EDGE Employees.

"New Construction EDGE Project" means the building of a Taxpayer's structure or building, or making improvements of
any kind to real property. "New Construction EDGE Project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"New Employee" means:

(a) A Full-time Employee first employed by a Taxpayer in the project that is the subject of an Agreement and who is hired after the Taxpayer enters into the tax credit Agreement.

(b) The term "New Employee" does not include:

(1) an employee of the Taxpayer who performs a job that was previously performed by another employee, if that job existed for at least 6 months before hiring the employee;

(2) an employee of the Taxpayer who was previously employed in Illinois by a Related Member of the Taxpayer and whose employment was shifted to the Taxpayer after the Taxpayer entered into the tax credit Agreement; or

(3) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or an indirect ownership interest of at least 5% in the profits, capital, or value of the Taxpayer.

(c) Notwithstanding paragraph (1) of subsection (b), an employee may be considered a New Employee under the
Agreement if the employee performs a job that was
previously performed by an employee who was:

(1) treated under the Agreement as a New Employee;
and

(2) promoted by the Taxpayer to another job.

(d) Notwithstanding subsection (a), the Department may
award Credit to an Applicant with respect to an employee
hired prior to the date of the Agreement if:

(1) the Applicant is in receipt of a letter from
the Department stating an intent to enter into a
credit Agreement;

(2) the letter described in paragraph (1) is
issued by the Department not later than 15 days after
the effective date of this Act; and

(3) the employee was hired after the date the
letter described in paragraph (1) was issued.

"Noncompliance Date" means, in the case of a Taxpayer that
is not complying with the requirements of the Agreement or the
provisions of this Act, the day following the last date upon
which the Taxpayer was in compliance with the requirements of
the Agreement and the provisions of this Act, as determined by
the Director, pursuant to Section 5-65.

"Pass Through Entity" means an entity that is exempt from
the tax under subsection (b) or (c) of Section 205 of the

"Professional Employer Organization" (PEO) means an
employee leasing company, as defined in Section 206.1(A)(2) of
the Illinois Unemployment Insurance Act.

"Related Member" means a person that, with respect to the
Taxpayer during any portion of the taxable year, is any one of
the following:

(1) An individual stockholder, if the stockholder and
the members of the stockholder's family (as defined in
Section 318 of the Internal Revenue Code) own directly,
indirectly, beneficially, or constructively, in the
aggregate, at least 50% of the value of the Taxpayer's
outstanding stock.

(2) A partnership, estate, or trust and any partner or
beneficiary, if the partnership, estate, or trust, and its
partners or beneficiaries own directly, indirectly,
beneficially, or constructively, in the aggregate, at
least 50% of the profits, capital, stock, or value of the
Taxpayer.

(3) A corporation, and any party related to the
corporation in a manner that would require an attribution
of stock from the corporation to the party or from the
party to the corporation under the attribution rules of
Section 318 of the Internal Revenue Code, if the Taxpayer
owns directly, indirectly, beneficially, or constructively
at least 50% of the value of the corporation's outstanding
stock.

(4) A corporation and any party related to that
corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the Taxpayer.

(5) A person to or from whom there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a Related Member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

"Startup taxpayer" means a corporation, partnership, or other entity incorporated or organized no more than 5 years before the filing of an application for an Agreement that has never had any Illinois income tax liability, excluding any Illinois income tax liability of a Related Member which shall not be attributed to the startup taxpayer.

"Taxpayer" means an individual, corporation, partnership, or other entity that has any Illinois Income Tax liability.

Until July 1, 2022, "underserved "Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest federal decennial census;
(2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

On and after July 1, 2022, "underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest American Community Survey;

(2) 35% or more of the families with children in the area are living below 130% of the poverty line, according to the latest American Community Survey;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national
unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

(Source: P.A. 101-9, eff. 6-5-19; 102-330, eff. 1-1-22.)

(35 ILCS 10/5-15)
Sec. 5-15. Tax Credit Awards. Subject to the conditions set forth in this Act, a Taxpayer is entitled to a Credit against or, as described in subsection (g) of this Section, a payment towards taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act that may be imposed on the Taxpayer for a taxable year beginning on or after January 1, 1999, if the Taxpayer is awarded a Credit by the Department under this Act for that taxable year.

(a) The Department shall make Credit awards under this Act to foster job creation and retention in Illinois.

(b) A person that proposes a project to create new jobs in Illinois must enter into an Agreement with the Department for the Credit under this Act.

(c) The Credit shall be claimed for the taxable years specified in the Agreement.

(d) The Credit shall not exceed the Incremental Income Tax attributable to the project that is the subject of the Agreement.

(e) Nothing herein shall prohibit a Tax Credit Award to an Applicant that uses a PEO if all other award criteria are
satisfied.

(f) In lieu of the Credit allowed under this Act against
the taxes imposed pursuant to subsections (a) and (b) of
Section 201 of the Illinois Income Tax Act for any taxable year
ending on or after December 31, 2009, for Taxpayers that
entered into Agreements prior to January 1, 2015 and otherwise
meet the criteria set forth in this subsection (f), the
Taxpayer may elect to claim the Credit against its obligation
to pay over withholding under Section 704A of the Illinois

(1) The election under this subsection (f) may be made
only by a Taxpayer that (i) is primarily engaged in one of
the following business activities: water purification and
treatment, motor vehicle metal stamping, automobile
manufacturing, automobile and light duty motor vehicle
manufacturing, motor vehicle manufacturing, light truck
and utility vehicle manufacturing, heavy duty truck
manufacturing, motor vehicle body manufacturing, cable
television infrastructure design or manufacturing, or
wireless telecommunication or computing terminal device
design or manufacturing for use on public networks and
(ii) meets the following criteria:

   (A) the Taxpayer (i) had an Illinois net loss or an
Illinois net loss deduction under Section 207 of the
Illinois Income Tax Act for the taxable year in which
the Credit is awarded, (ii) employed a minimum of
1,000 full-time employees in this State during the taxable year in which the Credit is awarded, (iii) has an Agreement under this Act on December 14, 2009 (the effective date of Public Act 96-834), and (iv) is in compliance with all provisions of that Agreement;

(B) the Taxpayer (i) had an Illinois net loss or an Illinois net loss deduction under Section 207 of the Illinois Income Tax Act for the taxable year in which the Credit is awarded, (ii) employed a minimum of 1,000 full-time employees in this State during the taxable year in which the Credit is awarded, and (iii) has applied for an Agreement within 365 days after December 14, 2009 (the effective date of Public Act 96-834);

(C) the Taxpayer (i) had an Illinois net operating loss carryforward under Section 207 of the Illinois Income Tax Act in a taxable year ending during calendar year 2008, (ii) has applied for an Agreement within 150 days after the effective date of this amendatory Act of the 96th General Assembly, (iii) creates at least 400 new jobs in Illinois, (iv) retains at least 2,000 jobs in Illinois that would have been at risk of relocation out of Illinois over a 10-year period, and (v) makes a capital investment of at least $75,000,000;

(D) the Taxpayer (i) had an Illinois net operating
loss carryforward under Section 207 of the Illinois Income Tax Act in a taxable year ending during calendar year 2009, (ii) has applied for an Agreement within 150 days after the effective date of this amendatory Act of the 96th General Assembly, (iii) creates at least 150 new jobs, (iv) retains at least 1,000 jobs in Illinois that would have been at risk of relocation out of Illinois over a 10-year period, and (v) makes a capital investment of at least $57,000,000; or

(E) the Taxpayer (i) employed at least 2,500 full-time employees in the State during the year in which the Credit is awarded, (ii) commits to make at least $500,000,000 in combined capital improvements and project costs under the Agreement, (iii) applies for an Agreement between January 1, 2011 and June 30, 2011, (iv) executes an Agreement for the Credit during calendar year 2011, and (v) was incorporated no more than 5 years before the filing of an application for an Agreement.

(1.5) The election under this subsection (f) may also be made by a Taxpayer for any Credit awarded pursuant to an agreement that was executed between January 1, 2011 and June 30, 2011, if the Taxpayer (i) is primarily engaged in the manufacture of inner tubes or tires, or both, from natural and synthetic rubber, (ii) employs a minimum of
2,400 full-time employees in Illinois at the time of application, (iii) creates at least 350 full-time jobs and retains at least 250 full-time jobs in Illinois that would have been at risk of being created or retained outside of Illinois, and (iv) makes a capital investment of at least $200,000,000 at the project location.

(1.6) The election under this subsection (f) may also be made by a Taxpayer for any Credit awarded pursuant to an agreement that was executed within 150 days after the effective date of this amendatory Act of the 97th General Assembly, if the Taxpayer (i) is primarily engaged in the operation of a discount department store, (ii) maintains its corporate headquarters in Illinois, (iii) employs a minimum of 4,250 full-time employees at its corporate headquarters in Illinois at the time of application, (iv) retains at least 4,250 full-time jobs in Illinois that would have been at risk of being relocated outside of Illinois, (v) had a minimum of $40,000,000,000 in total revenue in 2010, and (vi) makes a capital investment of at least $300,000,000 at the project location.

(1.7) Notwithstanding any other provision of law, the election under this subsection (f) may also be made by a Taxpayer for any Credit awarded pursuant to an agreement that was executed or applied for on or after July 1, 2011 and on or before March 31, 2012, if the Taxpayer is primarily engaged in the manufacture of original and
aftermarket filtration parts and products for automobiles, motor vehicles, light duty motor vehicles, light trucks and utility vehicles, and heavy duty trucks, (ii) employs a minimum of 1,000 full-time employees in Illinois at the time of application, (iii) creates at least 250 full-time jobs in Illinois, (iv) relocates its corporate headquarters to Illinois from another state, and (v) makes a capital investment of at least $4,000,000 at the project location.

(1.8) Notwithstanding any other provision of law, the election under this subsection (f) may also be made by a startup taxpayer for any Credit awarded pursuant to an Agreement that was executed or applied for on or after the effective date of this amendatory Act of the 102nd General Assembly, if the startup taxpayer, without considering any Related Member or other investor, (i) has never had any Illinois income tax liability and (ii) was incorporated no more than 5 years before the filing of an application for an Agreement. Any such election under this paragraph (1.8) shall be effective unless and until such startup taxpayer has any Illinois income tax liability. This election under this paragraph (1.8) shall automatically terminate when the startup taxpayer has any Illinois income tax liability at the end of any taxable year during the term of the Agreement. Thereafter, the startup taxpayer may receive a Credit, taking into account any benefits previously
enjoyed or received by way of the election under this paragraph (1.8), so long as the startup taxpayer remains in compliance with the terms and conditions of the Agreement.

(2) An election under this subsection shall allow the credit to be taken against payments otherwise due under Section 704A of the Illinois Income Tax Act during the first calendar year beginning after the end of the taxable year in which the credit is awarded under this Act.

(3) The election shall be made in the form and manner required by the Illinois Department of Revenue and, once made, shall be irrevocable.

(4) If a Taxpayer who meets the requirements of subparagraph (A) of paragraph (1) of this subsection (f) elects to claim the Credit against its withholdings as provided in this subsection (f), then, on and after the date of the election, the terms of the Agreement between the Taxpayer and the Department may not be further amended during the term of the Agreement.

(g) A pass-through entity that has been awarded a credit under this Act, its shareholders, or its partners may treat some or all of the credit awarded pursuant to this Act as a tax payment for purposes of the Illinois Income Tax Act. The term "tax payment" means a payment as described in Article 6 or Article 8 of the Illinois Income Tax Act or a composite payment made by a pass-through entity on behalf of any of its
shareholders or partners to satisfy such shareholders' or partners' taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act. In no event shall the amount of the award credited pursuant to this Act exceed the Illinois income tax liability of the pass-through entity or its shareholders or partners for the taxable year.

(Source: P.A. 100-511, eff. 9-18-17.)

(35 ILCS 10/5-20)

Sec. 5-20. Application for a project to create and retain new jobs.

(a) Any Taxpayer proposing a project located or planned to be located in Illinois may request consideration for designation of its project, by formal written letter of request or by formal application to the Department, in which the Applicant states its intent to make at least a specified level of investment and intends to hire or retain a specified number of full-time employees at a designated location in Illinois. As circumstances require, the Department may require a formal application from an Applicant and a formal letter of request for assistance.

(b) In order to qualify for Credits under this Act, an Applicant's project must:

(1) if the Applicant has more than 100 employees, involve an investment of at least $2,500,000 in capital improvements to be placed in service within the State as a
direct result of the project; if the Applicant has 100 or fewer employees, then there is no capital investment requirement;

(1.5) if the Applicant has more than 100 employees, employ a number of new employees in the State equal to the lesser of (A) 10% of the number of full-time employees employed by the applicant world-wide on the date the application is filed with the Department or (B) 50 New Employees; and, if the Applicant has 100 or fewer employees, employ a number of new employees in the State equal to the lesser of (A) 5% of the number of full-time employees employed by the applicant world-wide on the date the application is filed with the Department or (B) 50 New Employees;

(1.6) if the Applicant is a startup taxpayer, the employees employed by Related Members shall not be attributed to the Applicant for purposes of determining the capital investment or job creation requirements under this subsection (b);

(2) (blank);

(3) (blank); and

(4) include an annual sexual harassment policy report as provided under Section 5-58.

(c) After receipt of an application, the Department may enter into an Agreement with the Applicant if the application is accepted in accordance with Section 5-25.
Sec. 5-77. Sunset of new Agreements. The Department shall not enter into any new Agreements under the provisions of Section 5-50 of this Act after June 30, 2022.

(Source: P.A. 99-925, eff. 1-20-17; 100-511, eff. 9-18-17.)

(35 ILCS 10/5-77)

Sec. 5-77. Sunset of new Agreements. The Department shall not enter into any new Agreements under the provisions of Section 5-50 of this Act after June 30, 2022.

(Source: P.A. 99-925, eff. 1-20-17; 100-511, eff. 9-18-17.)

Section 5-10. The River Edge Redevelopment Zone Act is amended by changing Section 10-3 as follows:

(65 ILCS 115/10-3)

Sec. 10-3. Definitions. As used in this Act:

"Department" means the Department of Commerce and Economic Opportunity.

"River Edge Redevelopment Zone" means an area of the State certified by the Department as a River Edge Redevelopment Zone pursuant to this Act.

"Designated zone organization" means an association or entity: (1) the members of which are substantially all residents of the River Edge Redevelopment Zone or of the municipality in which the River Edge Redevelopment Zone is located; (2) the board of directors of which is elected by the members of the organization; (3) that satisfies the criteria set forth in Section 501(c) (3) or 501(c) (4) of the Internal
Revenue Code; and (4) that exists primarily for the purpose of performing within the zone, for the benefit of the residents and businesses thereof, any of the functions set forth in Section 8 of this Act.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of River Edge Construction Jobs Employees.

"Agency" means: each officer, board, commission, and agency created by the Constitution, in the executive branch of State government, other than the State Board of Elections; each officer, department, board, commission, agency, institution, authority, university, and body politic and corporate of the State; each administrative unit or corporate outgrowth of the State government that is created by or pursuant to statute, other than units of local government and their officers, school districts, and boards of election commissioners; and each administrative unit or corporate outgrowth of the above and as may be created by executive order of the Governor. No entity is an "agency" for the purposes of this Act unless the entity is authorized by law to make rules or regulations.

"River Edge construction jobs credit" means an amount equal to 50% of the incremental income tax attributable to River Edge construction employees employed on a River Edge construction jobs project. However, the amount may equal 75% of the incremental income tax attributable to River Edge
construction employees employed on a River Edge construction jobs project located in an underserved area. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of this amendatory Act of the 101st General Assembly) shall not exceed $20,000,000 in any State fiscal year.

"River Edge construction jobs employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a River Edge construction jobs project.

"River Edge construction jobs project" means building a structure or building, or making improvements of any kind to real property, in a River Edge Redevelopment Zone that is built or improved in the course of completing a qualified rehabilitation plan. "River Edge construction jobs project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"Rule" means each agency statement of general applicability that implements, applies, interprets, or prescribes law or policy, but does not include (i) statements concerning only the internal management of an agency and not affecting private rights or procedures available to persons or entities outside the agency, (ii) intra-agency memoranda, or (iii) the prescription of standardized forms.

Until July 1, 2022, "underserved "Underserved area" means
a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest federal decennial census;
(2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;
(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or
(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

Beginning July 1, 2022, "Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest American Community Survey;
(2) 35% or more of the families with children in the area are living below 130% of the poverty line, according to the latest American Community Survey;
(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance
Program (SNAP); or

(4) the area has an average unemployment rate, as
determined by the Illinois Department of Employment
Security, that is more than 120% of the national
unemployment average, as determined by the U.S. Department
of Labor, for a period of at least 2 consecutive calendar
years preceding the date of the application.

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

ARTICLE 10. FILM PRODUCTION TAX CREDIT

Section 10-5. The Illinois Income Tax Act is amended by
changing Section 213 as follows:

(35 ILCS 5/213)

Sec. 213. Film production services credit. For tax years
beginning on or after January 1, 2004, a taxpayer who has been
awarded a tax credit under the Film Production Services Tax
Credit Act or under the Film Production Services Tax Credit
Act of 2008 is entitled to a credit against the taxes imposed
under subsections (a) and (b) of Section 201 of this Act in an
amount determined by the Department of Commerce and Economic
Opportunity under those Acts. If the taxpayer is a partnership
or Subchapter S corporation, the credit is allowed to the
partners or shareholders in accordance with the determination
of income and distributive share of income under Sections 702
and 704 and Subchapter S of the Internal Revenue Code.

A transfer of this credit may be made by the taxpayer earning the credit within one year after the credit is awarded in accordance with rules adopted by the Department of Commerce and Economic Opportunity. Beginning July 1, 2023, if a credit is transferred under this Section by the taxpayer, then the transferor taxpayer shall pay to the Department of Commerce and Economic Opportunity, upon notification of a transfer, a fee equal to 2.5% of the transferred credit amount eligible for nonresident wages, as described in Section 10 of the Film Production Services Tax Credit Act of 2008, and an additional fee of 0.25% of the total amount of the transferred credit that is not calculated on nonresident wages, which shall be deposited into the Illinois Production Workforce Development Fund.

The Department, in cooperation with the Department of Commerce and Economic Opportunity, must prescribe rules to enforce and administer the provisions of this Section. This Section is exempt from the provisions of Section 250 of this Act.

The credit may not be carried back. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one tax year
that are available to offset a liability, the earlier credit shall be applied first. In no event shall a credit under this Section reduce the taxpayer's liability to less than zero.

(Source: P.A. 94-171, eff. 7-11-05; 95-720, eff. 5-27-08.)

Section 10-10. The Film Production Services Tax Credit Act of 2008 is amended by changing Sections 10 and 42 and by adding Section 46 as follows:

(35 ILCS 16/10)

Sec. 10. Definitions. As used in this Act:
"Accredited production" means: (i) for productions commencing before May 1, 2006, a film, video, or television production that has been certified by the Department in which the aggregate Illinois labor expenditures included in the cost of the production, in the period that ends 12 months after the time principal filming or taping of the production began, exceed $100,000 for productions of 30 minutes or longer, or $50,000 for productions of less than 30 minutes; and (ii) for productions commencing on or after May 1, 2006, a film, video, or television production that has been certified by the Department in which the Illinois production spending included in the cost of production in the period that ends 12 months after the time principal filming or taping of the production began exceeds $100,000 for productions of 30 minutes or longer or exceeds $50,000 for productions of less than 30 minutes.
"Accredited production" does not include a production that:

1. is news, current events, or public programming, or a program that includes weather or market reports;
2. is a talk show;
3. is a production in respect of a game, questionnaire, or contest;
4. is a sports event or activity;
5. is a gala presentation or awards show;
6. is a finished production that solicits funds;
7. is a production produced by a film production company if records, as required by 18 U.S.C. 2257, are to be maintained by that film production company with respect to any performer portrayed in that single media or multimedia program; or
8. is a production produced primarily for industrial, corporate, or institutional purposes.

"Accredited animated production" means an accredited production in which movement and characters' performances are created using a frame-by-frame technique and a significant number of major characters are animated. Motion capture by itself is not an animation technique.

"Accredited production certificate" means a certificate issued by the Department certifying that the production is an accredited production that meets the guidelines of this Act.

"Applicant" means a taxpayer that is a film production company that is operating or has operated an accredited...
production located within the State of Illinois and that (i) owns the copyright in the accredited production throughout the Illinois production period or (ii) has contracted directly with the owner of the copyright in the accredited production or a person acting on behalf of the owner to provide services for the production, where the owner of the copyright is not an eligible production corporation.

“Credit” means:

(1) for an accredited production approved by the Department on or before January 1, 2005 and commencing before May 1, 2006, the amount equal to 25% of the Illinois labor expenditure approved by the Department. The applicant is deemed to have paid, on its balance due day for the year, an amount equal to 25% of its qualified Illinois labor expenditure for the tax year. For Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department, in an accredited production commencing before May 1, 2006 and approved by the Department after January 1, 2005, the applicant shall receive an enhanced credit of 10% in addition to the 25% credit; and

(2) for an accredited production commencing on or after May 1, 2006, the amount equal to:

(i) 20% of the Illinois production spending for the taxable year; plus
(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department; and

(3) for an accredited production commencing on or after January 1, 2009, the amount equal to:

(i) 30% of the Illinois production spending for the taxable year; plus

(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of Commerce and Economic Opportunity.

"Illinois labor expenditure" means salary or wages paid to employees of the applicant for services on the accredited production.

To qualify as an Illinois labor expenditure, the expenditure must be:

(1) Reasonable in the circumstances.

(2) Included in the federal income tax basis of the property.

(3) Incurred by the applicant for services on or after January 1, 2004.
(4) Incurred for the production stages of the accredited production, from the final script stage to the end of the post-production stage.

(5) Limited to the first $25,000 of wages paid or incurred to each employee of a production commencing before May 1, 2006 and the first $100,000 of wages paid or incurred to each employee of a production commencing on or after May 1, 2006 and prior to July 1, 2022. For productions commencing on or after July 1, 2022, limited to the first $500,000 of wages paid or incurred to each nonresident or resident employee of a production company or loan out company that provides in-State services to a production, whether those wages are paid or incurred by the production company, loan out company, or both, subject to withholding payments provided for in Article 7 of the Illinois Income Tax Act. For purposes of calculating Illinois labor expenditures for a television series, the nonresident wage limitations provided under this subparagraph are applied to the entire season.

(6) For a production commencing before May 1, 2006, exclusive of the salary or wages paid to or incurred for the 2 highest paid employees of the production.

(7) Directly attributable to the accredited production.

(8) (Blank).

(9) Prior to July 1, 2022, paid to persons
resident in Illinois at the time the payments were made. For a production commencing on or after July 1, 2022, paid to persons resident in Illinois and nonresidents at the time the payments were made. For purposes of this subparagraph, only wages paid to nonresidents working in the following positions shall be considered Illinois labor expenditures: Writer, Director, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX Supervisor, Editor, Composer, and Actor, subject to the limitations set forth under this subparagraph. For an accredited Illinois production spending of $25,000,000 or less, no more than 2 nonresident actors' wages shall qualify as an Illinois labor expenditure. For an accredited production with Illinois production spending of more than $25,000,000, no more than 4 nonresident actor's wages shall qualify as Illinois labor expenditures.

(10) Paid for services rendered in Illinois.

"Illinois production spending" means the expenses incurred by the applicant for an accredited production, including, without limitation, all of the following:

(1) expenses to purchase, from vendors within Illinois, tangible personal property that is used in the accredited production;

(2) expenses to acquire services, from vendors in Illinois, for film production, editing, or processing; and
(3) for a production commencing before July 1, 2022, the compensation, not to exceed $100,000 for any one employee, for contractual or salaried employees who are Illinois residents performing services with respect to the accredited production. For a production commencing on or after July 1, 2022, the compensation, not to exceed $500,000 for any one employee, for contractual or salaried employees who are Illinois residents or nonresident employees, subject to the limitations set forth under Section 10 of this Act.

"Loan out company" means a personal service corporation or other entity that is under contract with the taxpayer to provide specified individual personnel, such as artists, crew, actors, producers, or directors for the performance of services used directly in a production. "Loan out company" does not include entities contracted with by the taxpayer to provide goods or ancillary contractor services such as catering, construction, trailers, equipment, or transportation.

"Qualified production facility" means stage facilities in the State in which television shows and films are or are intended to be regularly produced and that contain at least one sound stage of at least 15,000 square feet.

Rulemaking authority to implement Public Act 95-1006, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure
Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.
(Source: P.A. 102-558, eff. 8-20-21.)

(35 ILCS 16/42)
Sec. 42. Sunset of credits. The application of credits awarded pursuant to this Act shall be limited by a reasonable and appropriate sunset date. A taxpayer shall not be awarded any new credits entitled to take a credit awarded pursuant to this Act for tax years beginning on or after January 1, 2027.
(Source: P.A. 101-178, eff. 8-1-19.)

(35 ILCS 16/46 new)
Sec. 46. Illinois Production Workforce Development Fund.
(a) The Illinois Production Workforce Development Fund is created as a special fund in the State Treasury. Beginning July 1, 2022, amounts paid to the Department of Commerce and Economic Opportunity pursuant to Section 213 of the Illinois Income Tax Act shall be deposited into the Fund. The Fund shall be used exclusively to provide grants to community-based organizations, labor organizations, private and public universities, community colleges, and other organizations and institutions that may be deemed appropriate by the Department to administer workforce training programs that support efforts to recruit, hire, promote, retain, develop, and train a
diverse and inclusive workforce in the film industry.

(b) Pursuant to Section 213 of the Illinois Income Tax Act, the Fund shall receive deposits in amounts not to exceed 0.25% of the amount of each credit certificate issued that is not calculated on out-of-state wages and transferred or claimed on an Illinois tax return in the quarter such credit was transferred or claimed. In addition, such amount shall also include 2.5% of the credit amount calculated on wages paid to nonresidents that is transferred or claimed on an Illinois tax return in the quarter such credit was transferred or claimed.

(c) At the request of the Department, the State Comptroller and the State Treasurer may advance amounts to the Fund on an annual basis not to exceed $1,000,000 in any fiscal year. The fund from which the moneys are advanced shall be reimbursed in the same fiscal year for any such advance payments as described in this Section. The method of reimbursement shall be set forth in rules.

(d) Of the appropriated funds in a given fiscal year, 50% of the appropriated funds shall be reserved for organizations that meet one of the following criteria. The organization is:

(1) a minority-owned business, as defined by the Business Enterprise for Minorities, Women, and Persons with Disabilities Act; (2) located in an underserved area, as defined by the Economic Development for a Growing Economy Tax Credit Act; or (3) on an annual basis, training a cohort of
program participants where at least 50% of the program participants are either a minority person, as defined by the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, or reside in an underserved area, as defined by the Economic Development for a Growing Economy Tax Credit Act.

(e) The Illinois Production Workforce Development Fund shall be administered by the Department. The Department may adopt rules necessary to administer the provisions of this Section.

(f) Notwithstanding any other law to the contrary, the Illinois Production Workforce Development Fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the Illinois Production Workforce Development Fund.

(g) By June 30 of each fiscal year, the Department must submit to the General Assembly a report that includes the following information: (1) an identification of the organizations and institutions that received funding to administer workforce training programs during the fiscal year; (2) the number of total persons trained and the number of persons trained per workforce training program in the fiscal year; and (3) in the aggregate, per organization, the number of persons identified as a minority person or that reside in an underserved area that received training in the fiscal year.
Section 10-90. The State Finance Act is amended by adding Section 5.970 as follows:

(30 ILCS 105/5.970 new)

Sec. 5.970. The Illinois Production Workforce Development Fund.

ARTICLE 15. LIVE THEATER TAX CREDIT

Section 15-5. The Live Theater Production Tax Credit Act is amended by changing Section 10-20 as follows:

(35 ILCS 17/10-20)

Sec. 10-20. Tax credit award. Subject to the conditions set forth in this Act, an applicant is entitled to a tax credit award as approved by the Department for qualifying Illinois labor expenditures and Illinois production spending for each tax year in which the applicant is awarded an accredited theater production certificate issued by the Department. The amount of tax credits awarded pursuant to this Act shall not exceed $2,000,000 for State fiscal years ending on or before June 30, 2022 and ending on or after June 30, 2024. Due to the impact of the COVID-19 pandemic, for the State fiscal year ending on June 30, 2023, the amount of tax credits awarded pursuant to this Act shall not exceed $4,000,000. For the State fiscal year ending on June 30, 2023, credits awarded
under this Act in excess of $2,000,000 must be awarded to applicants with Illinois production spending of not less than $2,500,000, as shown on the applicant's application for the credit. in any fiscal year. Credits shall be awarded on a first-come, first-served basis. Notwithstanding the foregoing, if the amount of credits applied for in any fiscal year exceeds the amount authorized to be awarded under this Section, the excess credit amount shall be awarded in the next fiscal year in which credits remain available for award and shall be treated as having been applied for on the first day of that fiscal year.

(Source: P.A. 97-636, eff. 6-1-12.)

ARTICLE 20. BIODIESEL

Section 20-5. The Use Tax Act is amended by changing Sections 3-10 and 3-41 and by adding Sections 3-5.1 and 3-42.5 as follows:

(35 ILCS 105/3-5.1 new)

Sec. 3-5.1. Biodiesel, renewable diesel, and biodiesel blends.

(a) On and after January 1, 2024 and on or before December 31, 2030, the taxes imposed by this Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act apply to 100% of the proceeds of sales of
(i) biodiesel blends with no less than 1% and no more than 10% of biodiesel and (ii) any diesel fuel containing no less than 1% and no more than 10% of renewable diesel.

(b) From January 1, 2024 through March 31, 2024, the taxes imposed by this Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.

(c) From April 1, 2024 through November 30, 2024, the taxes imposed by this Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 13% biodiesel or renewable diesel.

(d) From December 1, 2024 through March 31, 2025, the taxes imposed by this Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.

(e) From April 1, 2025 through November 30, 2025, the taxes imposed by this Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 16% biodiesel or renewable diesel.

(f) From December 1, 2025 through March 31, 2026, the taxes imposed by this Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do
not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.

(g) On and after April 1, 2026 and on or before November 30, 2030, the taxes imposed by this Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 19% biodiesel or renewable diesel; except that, from December 1 of calendar years 2026, 2027, 2028, and 2029 through March 31 of the following calendar year, and from December 1, 2030 through December 31, 2030, the taxes imposed by this Act, the Service Use Tax Act, the Service Occupation Tax Act, or the Retailers' Occupation Tax Act do not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.

(h) This Section is exempt from the provisions of Section 3-90 of this Act, Section 3-75 of the Service Use Tax Act, Section 3-55 of the Service Occupation Tax Act, and Section 2-70 of the Retailers' Occupation Tax Act.

(35 ILCS 105/3-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of either the selling price or the fair market value, if any, of the tangible personal property. In all cases where property functionally used or consumed is the same as the property that was purchased at retail, then the tax is imposed on the selling
price of the property. In all cases where property functionally used or consumed is a by-product or waste product that has been refined, manufactured, or produced from property purchased at retail, then the tax is imposed on the lower of the fair market value, if any, of the specific property so used in this State or on the selling price of the property purchased at retail. For purposes of this Section "fair market value" means the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. The fair market value shall be established by Illinois sales by the taxpayer of the same property as that functionally used or consumed, or if there are no such sales by the taxpayer, then comparable sales or purchases of property of like kind and character in Illinois.

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

Beginning on August 6, 2010 through August 15, 2010, with respect to sales tax holiday items as defined in Section 3-6 of this Act, the tax is imposed at the rate of 1.25%.

With respect to gasohol, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or
before July 1, 2017, and (iii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of gasohol is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

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

With respect to 100% biodiesel and biodiesel blends with more than 10% but no more than 99% biodiesel, the tax imposed
by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1.

With respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, blood sugar testing materials, syringes, and needles used by human diabetics, the tax is imposed at the rate of 1%. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including but not limited to soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed
bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

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

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

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

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

(A) A "Drug Facts" panel; or

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

Beginning on the effective date of this amendatory Act of the 98th General Assembly, "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from
a registered dispensing organization under the Compassionate
Use of Medical Cannabis Program Act.

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

If the property that is purchased at retail from a
retailer is acquired outside Illinois and used outside
Illinois before being brought to Illinois for use here and is
taxable under this Act, the "selling price" on which the tax is
computed shall be reduced by an amount that represents a
reasonable allowance for depreciation for the period of prior
out-of-state use.

(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
102-4, eff. 4-27-21.)

(35 ILCS 105/3-41)
Sec. 3-41. Biodiesel. "Biodiesel" means a renewable diesel
fuel that is not a hydrocarbon fuel and that is derived from
biomass that is intended for use in diesel engines.

(Source: P.A. 93-17, eff. 6-11-03.)

(35 ILCS 105/3-42.5 new)
Sec. 3-42.5. Renewable diesel. "Renewable diesel" means a
diesel fuel that is a hydrocarbon fuel derived from biomass
meeting the requirements of the latest version of ASTM standards D975 or D396. Fuels that have been co-processed are not considered renewable diesel.

Section 20-10. The Service Use Tax Act is amended by changing Section 3-10 as follows:

(35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of the selling price of tangible personal property transferred as an incident to the sale of service, but, for the purpose of computing this tax, in no event shall the selling price be less than the cost price of the property to the serviceman.

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

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

If, at any time, however, the tax under this Act on sales of
gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of the selling price after December 31, 2018 and before January 1, 2024. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.
With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act.

At the election of any registered serviceman made for each fiscal year, sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred as an incident to the sale of those services.

The tax shall be imposed at the rate of 1% on food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act. The tax shall also be imposed at the rate of 1% on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption and is not otherwise included in this paragraph) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, blood sugar testing materials, syringes, and needles used by human diabetics. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including but not limited to soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk
products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

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

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

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

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

(A) A "Drug Facts" panel; or

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

Beginning on January 1, 2014 (the effective date of Public Act 98-122), "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.
As used in this Section, "adult use cannabis" means cannabis subject to tax under the Cannabis Cultivation Privilege Tax Law and the Cannabis Purchaser Excise Tax Law and does not include cannabis subject to tax under the Compassionate Use of Medical Cannabis Program Act.

If the property that is acquired from a serviceman is acquired outside Illinois and used outside Illinois before being brought to Illinois for use here and is taxable under this Act, the "selling price" on which the tax is computed shall be reduced by an amount that represents a reasonable allowance for depreciation for the period of prior out-of-state use.

(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19; 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

Section 20-15. The Service Occupation Tax Act is amended by changing Section 3-10 as follows:

(35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of the "selling price", as defined in Section 2 of the Service Use Tax Act, of the tangible personal property. For the purpose of computing this tax, in no event shall the "selling price" be less than the cost price to the serviceman of the tangible personal property transferred. The selling price of each item
of tangible personal property transferred as an incident of a
sale of service may be shown as a distinct and separate item on
the serviceman's billing to the service customer. If the
selling price is not so shown, the selling price of the
tangible personal property is deemed to be 50% of the
serviceman's entire billing to the service customer. When,
however, a serviceman contracts to design, develop, and
produce special order machinery or equipment, the tax imposed
by this Act shall be based on the serviceman's cost price of
the tangible personal property transferred incident to the
completion of the contract.

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

With respect to gasohol, as defined in the Use Tax Act, the
tax imposed by this Act shall apply to (i) 70% of the cost
price of property transferred as an incident to the sale of
service on or after January 1, 1990, and before July 1, 2003,
(ii) 80% of the selling price of property transferred as an
incident to the sale of service on or after July 1, 2003 and on
or before July 1, 2017, and (iii) 100% of the cost price
thereafter. If, at any time, however, the tax under this Act on
sales of gasohol, as defined in the Use Tax Act, is imposed at
the rate of 1.25%, then the tax imposed by this Act applies to
100% of the proceeds of sales of gasohol made during that time.
With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

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

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel material, the tax
imposed by this Act does not apply to the proceeds of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act.

At the election of any registered serviceman made for each fiscal year, sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred incident to the sale of those services.

The tax shall be imposed at the rate of 1% on food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued
pursuant to the Life Care Facilities Act. The tax shall also be imposed at the rate of 1% on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption and is not otherwise included in this paragraph) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, blood sugar testing materials, syringes, and needles used by human diabetics. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including but not limited to soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable
juice.

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

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

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

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

(A) A "Drug Facts" panel; or

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

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

As used in this Section, "adult use cannabis" means cannabis subject to tax under the Cannabis Cultivation
Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
and does not include cannabis subject to tax under the
Compassionate Use of Medical Cannabis Program Act.
(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

Section 20-20. The Retailers' Occupation Tax Act is
amended by changing Section 2-10 as follows:

(35 ILCS 120/2-10)

Sec. 2-10. Rate of tax. Unless otherwise provided in this
Section, the tax imposed by this Act is at the rate of 6.25% of
gross receipts from sales of tangible personal property made
in the course of business.

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

Beginning on August 6, 2010 through August 15, 2010, with
respect to sales tax holiday items as defined in Section 2-8 of
this Act, the tax is imposed at the rate of 1.25%.

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

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or before July 1, 2017, and (iii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

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

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter. On and after January 1, 2024 and on or before December 31, 2030, the taxation of biodiesel, renewable diesel, and biodiesel blends shall be as provided in Section 3-5.1 of the Use Tax Act.

With respect to food for human consumption that is to be consumed off the premises where it is sold (other than
alcoholic beverages, food consisting of or infused with adult
use cannabis, soft drinks, and food that has been prepared for
immediate consumption) and prescription and nonprescription
medicines, drugs, medical appliances, products classified as
Class III medical devices by the United States Food and Drug
Administration that are used for cancer treatment pursuant to
a prescription, as well as any accessories and components
related to those devices, modifications to a motor vehicle for
the purpose of rendering it usable by a person with a
disability, and insulin, blood sugar testing materials,
syringes, and needles used by human diabetics, the tax is
imposed at the rate of 1%. For the purposes of this Section,
until September 1, 2009: the term "soft drinks" means any
complete, finished, ready-to-use, non-alcoholic drink, whether
carbonated or not, including but not limited to soda water,
cola, fruit juice, vegetable juice, carbonated water, and all
other preparations commonly known as soft drinks of whatever
kind or description that are contained in any closed or sealed
bottle, can, carton, or container, regardless of size; but
"soft drinks" does not include coffee, tea, non-carbonated
water, infant formula, milk or milk products as defined in the
Grade A Pasteurized Milk and Milk Products Act, or drinks
containing 50% or more natural fruit or vegetable juice.

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

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

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

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

(A) A "Drug Facts" panel; or
(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

Beginning on the effective date of this amendatory Act of the 98th General Assembly, "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.

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

(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
Section 20-25. The Motor Fuel Tax Law is amended by adding Section 3d as follows:

(35 ILCS 505/3d new)

Sec. 3d. Right to blend.

(a) A distributor who is properly licensed and permitted as a blender pursuant to this Act may blend petroleum-based diesel fuel with biodiesel and sell the blended or unblended product on any premises owned and operated by the distributor for the purpose of supporting or facilitating the retail sale of motor fuel.

(b) A refiner or supplier of petroleum-based diesel fuel or biodiesel shall not refuse to sell or transport to a distributor who is properly licensed and permitted as a blender pursuant to this Act any petroleum-based diesel fuel or biodiesel based on the distributor's or dealer's intent to use that product for blending.

ARTICLE 25. HOSPITALS

Section 25-5. The Illinois Income Tax Act is amended by changing Section 223 as follows:

(35 ILCS 5/223)
Sec. 223. Hospital credit.

(a) For tax years ending on or after December 31, 2012 and ending on or before December 31, 2027, a taxpayer that is the owner of a hospital licensed under the Hospital Licensing Act, but not including an organization that is exempt from federal income taxes under the Internal Revenue Code, is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act in an amount equal to the lesser of the amount of real property taxes paid during the tax year on real property used for hospital purposes during the prior tax year or the cost of free or discounted services provided during the tax year pursuant to the hospital's charitable financial assistance policy, measured at cost.

(b) If the taxpayer is a partnership or Subchapter S corporation, the credit is allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. A transfer of this credit may be made by the taxpayer earning the credit within one year after the credit is earned in accordance with rules adopted by the Department. The Department shall prescribe rules to enforce and administer provisions of this Section. If the amount of the credit exceeds the tax liability for the year, then the excess credit may be carried forward and applied to the tax liability of the 5 taxable years following
the excess credit year. The credit shall be applied to the
earliest year for which there is a tax liability. If there are
credits from more than one tax year that are available to
offset a liability, the earlier credit shall be applied first.
In no event shall a credit under this Section reduce the
taxpayer's liability to less than zero.
(Source: P.A. 100-587, eff. 6-4-18.)

Section 25-10. The Use Tax Act is amended by changing
Section 3-8 as follows:

(35 ILCS 105/3-8)
Sec. 3-8. Hospital exemption.
(a) Tangible Until July 1, 2022, tangible personal
property sold to or used by a hospital owner that owns one or
more hospitals licensed under the Hospital Licensing Act or
operated under the University of Illinois Hospital Act, or a
hospital affiliate that is not already exempt under another
 provision of this Act and meets the criteria for an exemption
under this Section, is exempt from taxation under this Act.
(b) A hospital owner or hospital affiliate satisfies the
conditions for an exemption under this Section if the value of
qualified services or activities listed in subsection (c) of
this Section for the hospital year equals or exceeds the
relevant hospital entity's estimated property tax liability,
without regard to any property tax exemption granted under
Section 15-86 of the Property Tax Code, for the calendar year in which exemption or renewal of exemption is sought. For purposes of making the calculations required by this subsection (b), if the relevant hospital entity is a hospital owner that owns more than one hospital, the value of the services or activities listed in subsection (c) shall be calculated on the basis of only those services and activities relating to the hospital that includes the subject property, and the relevant hospital entity's estimated property tax liability shall be calculated only with respect to the properties comprising that hospital. In the case of a multi-state hospital system or hospital affiliate, the value of the services or activities listed in subsection (c) shall be calculated on the basis of only those services and activities that occur in Illinois and the relevant hospital entity's estimated property tax liability shall be calculated only with respect to its property located in Illinois.

(c) The following services and activities shall be considered for purposes of making the calculations required by subsection (b):

(1) Charity care. Free or discounted services provided pursuant to the relevant hospital entity's financial assistance policy, measured at cost, including discounts provided under the Hospital Uninsured Patient Discount Act.

(2) Health services to low-income and underserved
individuals. Other unreimbursed costs of the relevant hospital entity for providing without charge, paying for, or subsidizing goods, activities, or services for the purpose of addressing the health of low-income or underserved individuals. Those activities or services may include, but are not limited to: financial or in-kind support to affiliated or unaffiliated hospitals, hospital affiliates, community clinics, or programs that treat low-income or underserved individuals; paying for or subsidizing health care professionals who care for low-income or underserved individuals; providing or subsidizing outreach or educational services to low-income or underserved individuals for disease management and prevention; free or subsidized goods, supplies, or services needed by low-income or underserved individuals because of their medical condition; and prenatal or childbirth outreach to low-income or underserved persons.

(3) Subsidy of State or local governments. Direct or indirect financial or in-kind subsidies of State or local governments by the relevant hospital entity that pay for or subsidize activities or programs related to health care for low-income or underserved individuals.

(4) Support for State health care programs for low-income individuals. At the election of the hospital applicant for each applicable year, either (A) 10% of payments to the relevant hospital entity and any hospital
affiliate designated by the relevant hospital entity (provided that such hospital affiliate's operations provide financial or operational support for or receive financial or operational support from the relevant hospital entity) under Medicaid or other means-tested programs, including, but not limited to, General Assistance, the Covering ALL KIDS Health Insurance Act, and the State Children's Health Insurance Program or (B) the amount of subsidy provided by the relevant hospital entity and any hospital affiliate designated by the relevant hospital entity (provided that such hospital affiliate's operations provide financial or operational support for or receive financial or operational support from the relevant hospital entity) to State or local government in treating Medicaid recipients and recipients of means-tested programs, including but not limited to General Assistance, the Covering ALL KIDS Health Insurance Act, and the State Children's Health Insurance Program. The amount of subsidy for purpose of this item (4) is calculated in the same manner as unreimbursed costs are calculated for Medicaid and other means-tested government programs in the Schedule H of IRS Form 990 in effect on the effective date of this amendatory Act of the 97th General Assembly.

(5) Dual-eligible subsidy. The amount of subsidy provided to government by treating dual-eligible
Medicare/Medicaid patients. The amount of subsidy for purposes of this item (5) is calculated by multiplying the relevant hospital entity's unreimbursed costs for Medicare, calculated in the same manner as determined in the Schedule H of IRS Form 990 in effect on the effective date of this amendatory Act of the 97th General Assembly, by the relevant hospital entity's ratio of dual-eligible patients to total Medicare patients.

(6) Relief of the burden of government related to health care. Except to the extent otherwise taken into account in this subsection, the portion of unreimbursed costs of the relevant hospital entity attributable to providing, paying for, or subsidizing goods, activities, or services that relieve the burden of government related to health care for low-income individuals. Such activities or services shall include, but are not limited to, providing emergency, trauma, burn, neonatal, psychiatric, rehabilitation, or other special services; providing medical education; and conducting medical research or training of health care professionals. The portion of those unreimbursed costs attributable to benefiting low-income individuals shall be determined using the ratio calculated by adding the relevant hospital entity's costs attributable to charity care, Medicaid, other means-tested government programs, Medicare patients with disabilities under age 65, and dual-eligible Medicare/Medicaid patients
and dividing that total by the relevant hospital entity's
total costs. Such costs for the numerator and denominator
shall be determined by multiplying gross charges by the
cost to charge ratio taken from the hospital's most
recently filed Medicare cost report (CMS 2252-10
Worksheet, Part I). In the case of emergency services, the
ratio shall be calculated using costs (gross charges
multiplied by the cost to charge ratio taken from the
hospital's most recently filed Medicare cost report (CMS
2252-10 Worksheet, Part I)) of patients treated in the
relevant hospital entity's emergency department.

(7) Any other activity by the relevant hospital entity
that the Department determines relieves the burden of
government or addresses the health of low-income or
underserved individuals.

(d) The hospital applicant shall include information in
its exemption application establishing that it satisfies the
requirements of subsection (b). For purposes of making the
calculations required by subsection (b), the hospital
applicant may for each year elect to use either (1) the value
of the services or activities listed in subsection (e) for the
hospital year or (2) the average value of those services or
activities for the 3 fiscal years ending with the hospital
year. If the relevant hospital entity has been in operation
for less than 3 completed fiscal years, then the latter
calculation, if elected, shall be performed on a pro rata
basis.

(e) For purposes of making the calculations required by this Section:

(1) particular services or activities eligible for consideration under any of the paragraphs (1) through (7) of subsection (c) may not be counted under more than one of those paragraphs; and

(2) the amount of unreimbursed costs and the amount of subsidy shall not be reduced by restricted or unrestricted payments received by the relevant hospital entity as contributions deductible under Section 170(a) of the Internal Revenue Code.

(f) (Blank).

(g) Estimation of Exempt Property Tax Liability. The estimated property tax liability used for the determination in subsection (b) shall be calculated as follows:

(1) "Estimated property tax liability" means the estimated dollar amount of property tax that would be owed, with respect to the exempt portion of each of the relevant hospital entity's properties that are already fully or partially exempt, or for which an exemption in whole or in part is currently being sought, and then aggregated as applicable, as if the exempt portion of those properties were subject to tax, calculated with respect to each such property by multiplying:

(A) the lesser of (i) the actual assessed value,
if any, of the portion of the property for which an exemption is sought or (ii) an estimated assessed value of the exempt portion of such property as determined in item (2) of this subsection (g), by (B) the applicable State equalization rate (yielding the equalized assessed value), by (C) the applicable tax rate.

(2) The estimated assessed value of the exempt portion of the property equals the sum of (i) the estimated fair market value of buildings on the property, as determined in accordance with subparagraphs (A) and (B) of this item (2), multiplied by the applicable assessment factor, and (ii) the estimated assessed value of the land portion of the property, as determined in accordance with subparagraph (C).

(A) The "estimated fair market value of buildings on the property" means the replacement value of any exempt portion of buildings on the property, minus depreciation, determined utilizing the cost replacement method whereby the exempt square footage of all such buildings is multiplied by the replacement cost per square foot for Class A Average building found in the most recent edition of the Marshall & Swift Valuation Services Manual, adjusted by any appropriate current cost and local multipliers.

(B) Depreciation, for purposes of calculating the
estimated fair market value of buildings on the
property, is applied by utilizing a weighted mean life
for the buildings based on original construction and
assuming a 40-year life for hospital buildings and the
applicable life for other types of buildings as
specified in the American Hospital Association
publication "Estimated Useful Lives of Depreciable
Hospital Assets". In the case of hospital buildings,
the remaining life is divided by 40 and this ratio is
multiplied by the replacement cost of the buildings to
obtain an estimated fair market value of buildings. If
a hospital building is older than 35 years, a
remaining life of 5 years for residual value is
assumed; and if a building is less than 8 years old, a
remaining life of 32 years is assumed.

(C) The estimated assessed value of the land
portion of the property shall be determined by
multiplying (i) the per square foot average of the
assessed values of three parcels of land (not
including farm land, and excluding the assessed value
of the improvements thereon) reasonably comparable to
the property, by (ii) the number of square feet
comprising the exempt portion of the property's land
square footage.

(3) The assessment factor, State equalization rate,
and tax rate (including any special factors such as
Enterprise Zones) used in calculating the estimated property tax liability shall be for the most recent year that is publicly available from the applicable chief county assessment officer or officers at least 90 days before the end of the hospital year.

(4) The method utilized to calculate estimated property tax liability for purposes of this Section 15-86 shall not be utilized for the actual valuation, assessment, or taxation of property pursuant to the Property Tax Code.

(h) For the purpose of this Section, the following terms shall have the meanings set forth below:

(1) "Hospital" means any institution, place, building, buildings on a campus, or other health care facility located in Illinois that is licensed under the Hospital Licensing Act and has a hospital owner.

(2) "Hospital owner" means a not-for-profit corporation that is the titleholder of a hospital, or the owner of the beneficial interest in an Illinois land trust that is the titleholder of a hospital.

(3) "Hospital affiliate" means any corporation, partnership, limited partnership, joint venture, limited liability company, association or other organization, other than a hospital owner, that directly or indirectly controls, is controlled by, or is under common control with one or more hospital owners and that supports,
supported by, or acts in furtherance of the exempt health
care purposes of at least one of those hospital owners'
hospitals.

(4) "Hospital system" means a hospital and one or more
other hospitals or hospital affiliates related by common
control or ownership.

(5) "Control" relating to hospital owners, hospital
affiliates, or hospital systems means possession, direct
or indirect, of the power to direct or cause the direction
of the management and policies of the entity, whether
through ownership of assets, membership interest, other
voting or governance rights, by contract or otherwise.

(6) "Hospital applicant" means a hospital owner or
hospital affiliate that files an application for an
exemption or renewal of exemption under this Section.

(7) "Relevant hospital entity" means (A) the hospital
owner, in the case of a hospital applicant that is a
hospital owner, and (B) at the election of a hospital
applicant that is a hospital affiliate, either (i) the
hospital affiliate or (ii) the hospital system to which
the hospital applicant belongs, including any hospitals or
hospital affiliates that are related by common control or
ownership.

(8) "Subject property" means property used for the
calculation under subsection (b) of this Section.

(9) "Hospital year" means the fiscal year of the
relevant hospital entity, or the fiscal year of one of the
hospital owners in the hospital system if the relevant
hospital entity is a hospital system with members with
different fiscal years, that ends in the year for which
the exemption is sought.

(i) It is the intent of the General Assembly that any
exemptions taken, granted, or renewed under this Section prior
to the effective date of this amendatory Act of the 100th
General Assembly are hereby validated.

(j) It is the intent of the General Assembly that the
exemption under this Section applies on a continuous basis. If
this amendatory Act of the 102nd General Assembly takes effect
after July 1, 2022, any exemptions taken, granted, or renewed
under this Section on or after July 1, 2022 and prior to the
effective date of this amendatory Act of the 102nd General
Assembly are hereby validated.

(k) This Section is exempt from the provisions of Section
3-90.

(Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

Section 25-15. The Service Use Tax Act is amended by
changing Section 3-8 as follows:

(a) Tangible Until July 1, 2022, tangible personal
property sold to or used by a hospital owner that owns one or more hospitals licensed under the Hospital Licensing Act or operated under the University of Illinois Hospital Act, or a hospital affiliate that is not already exempt under another provision of this Act and meets the criteria for an exemption under this Section, is exempt from taxation under this Act.

(b) A hospital owner or hospital affiliate satisfies the conditions for an exemption under this Section if the value of qualified services or activities listed in subsection (c) of this Section for the hospital year equals or exceeds the relevant hospital entity's estimated property tax liability, without regard to any property tax exemption granted under Section 15-86 of the Property Tax Code, for the calendar year in which exemption or renewal of exemption is sought. For purposes of making the calculations required by this subsection (b), if the relevant hospital entity is a hospital owner that owns more than one hospital, the value of the services or activities listed in subsection (c) shall be calculated on the basis of only those services and activities relating to the hospital that includes the subject property, and the relevant hospital entity's estimated property tax liability shall be calculated only with respect to the properties comprising that hospital. In the case of a multi-state hospital system or hospital affiliate, the value of the services or activities listed in subsection (c) shall be calculated on the basis of only those services and
activities that occur in Illinois and the relevant hospital
entity's estimated property tax liability shall be calculated
only with respect to its property located in Illinois.

(c) The following services and activities shall be
considered for purposes of making the calculations required by
subsection (b):

(1) Charity care. Free or discounted services provided
pursuant to the relevant hospital entity's financial
assistance policy, measured at cost, including discounts
provided under the Hospital Uninsured Patient Discount
Act.

(2) Health services to low-income and underserved
individuals. Other unreimbursed costs of the relevant
hospital entity for providing without charge, paying for,
or subsidizing goods, activities, or services for the
purpose of addressing the health of low-income or
underserved individuals. Those activities or services may
include, but are not limited to: financial or in-kind
support to affiliated or unaffiliated hospitals, hospital
affiliates, community clinics, or programs that treat
low-income or underserved individuals; paying for or
subsidizing health care professionals who care for
low-income or underserved individuals; providing or
subsidizing outreach or educational services to low-income
or underserved individuals for disease management and
prevention; free or subsidized goods, supplies, or
services needed by low-income or underserved individuals because of their medical condition; and prenatal or childbirth outreach to low-income or underserved persons.

(3) Subsidy of State or local governments. Direct or indirect financial or in-kind subsidies of State or local governments by the relevant hospital entity that pay for or subsidize activities or programs related to health care for low-income or underserved individuals.

(4) Support for State health care programs for low-income individuals. At the election of the hospital applicant for each applicable year, either (A) 10% of payments to the relevant hospital entity and any hospital affiliate designated by the relevant hospital entity (provided that such hospital affiliate's operations provide financial or operational support for or receive financial or operational support from the relevant hospital entity) under Medicaid or other means-tested programs, including, but not limited to, General Assistance, the Covering ALL KIDS Health Insurance Act, and the State Children's Health Insurance Program or (B) the amount of subsidy provided by the relevant hospital entity and any hospital affiliate designated by the relevant hospital entity (provided that such hospital affiliate's operations provide financial or operational support for or receive financial or operational support from the relevant hospital entity) to State or local
government in treating Medicaid recipients and recipients of means-tested programs, including but not limited to General Assistance, the Covering ALL KIDS Health Insurance Act, and the State Children's Health Insurance Program. The amount of subsidy for purposes of this item (4) is calculated in the same manner as unreimbursed costs are calculated for Medicaid and other means-tested government programs in the Schedule H of IRS Form 990 in effect on the effective date of this amendatory Act of the 97th General Assembly.

(5) Dual-eligible subsidy. The amount of subsidy provided to government by treating dual-eligible Medicare/Medicaid patients. The amount of subsidy for purposes of this item (5) is calculated by multiplying the relevant hospital entity's unreimbursed costs for Medicare, calculated in the same manner as determined in the Schedule H of IRS Form 990 in effect on the effective date of this amendatory Act of the 97th General Assembly, by the relevant hospital entity's ratio of dual-eligible patients to total Medicare patients.

(6) Relief of the burden of government related to health care. Except to the extent otherwise taken into account in this subsection, the portion of unreimbursed costs of the relevant hospital entity attributable to providing, paying for, or subsidizing goods, activities, or services that relieve the burden of government related
to health care for low-income individuals. Such activities or services shall include, but are not limited to, providing emergency, trauma, burn, neonatal, psychiatric, rehabilitation, or other special services; providing medical education; and conducting medical research or training of health care professionals. The portion of those unreimbursed costs attributable to benefiting low-income individuals shall be determined using the ratio calculated by adding the relevant hospital entity's costs attributable to charity care, Medicaid, other means-tested government programs, Medicare patients with disabilities under age 65, and dual-eligible Medicare/Medicaid patients and dividing that total by the relevant hospital entity's total costs. Such costs for the numerator and denominator shall be determined by multiplying gross charges by the cost to charge ratio taken from the hospital's most recently filed Medicare cost report (CMS 2252-10 Worksheet, Part I). In the case of emergency services, the ratio shall be calculated using costs (gross charges multiplied by the cost to charge ratio taken from the hospital's most recently filed Medicare cost report (CMS 2252-10 Worksheet, Part I)) of patients treated in the relevant hospital entity's emergency department.

(7) Any other activity by the relevant hospital entity that the Department determines relieves the burden of government or addresses the health of low-income or
underserved individuals.

(d) The hospital applicant shall include information in its exemption application establishing that it satisfies the requirements of subsection (b). For purposes of making the calculations required by subsection (b), the hospital applicant may for each year elect to use either (1) the value of the services or activities listed in subsection (e) for the hospital year or (2) the average value of those services or activities for the 3 fiscal years ending with the hospital year. If the relevant hospital entity has been in operation for less than 3 completed fiscal years, then the latter calculation, if elected, shall be performed on a pro rata basis.

(e) For purposes of making the calculations required by this Section:

(1) particular services or activities eligible for consideration under any of the paragraphs (1) through (7) of subsection (c) may not be counted under more than one of those paragraphs; and

(2) the amount of unreimbursed costs and the amount of subsidy shall not be reduced by restricted or unrestricted payments received by the relevant hospital entity as contributions deductible under Section 170(a) of the Internal Revenue Code.

(f) (Blank).

(g) Estimation of Exempt Property Tax Liability. The
estimated property tax liability used for the determination in subsection (b) shall be calculated as follows:

(1) "Estimated property tax liability" means the estimated dollar amount of property tax that would be owed, with respect to the exempt portion of each of the relevant hospital entity's properties that are already fully or partially exempt, or for which an exemption in whole or in part is currently being sought, and then aggregated as applicable, as if the exempt portion of those properties were subject to tax, calculated with respect to each such property by multiplying:

(A) the lesser of (i) the actual assessed value, if any, of the portion of the property for which an exemption is sought or (ii) an estimated assessed value of the exempt portion of such property as determined in item (2) of this subsection (g), by

(B) the applicable State equalization rate (yielding the equalized assessed value), by

(C) the applicable tax rate.

(2) The estimated assessed value of the exempt portion of the property equals the sum of (i) the estimated fair market value of buildings on the property, as determined in accordance with subparagraphs (A) and (B) of this item (2), multiplied by the applicable assessment factor, and (ii) the estimated assessed value of the land portion of the property, as determined in accordance with
subparagraph (C).

(A) The "estimated fair market value of buildings on the property" means the replacement value of any exempt portion of buildings on the property, minus depreciation, determined utilizing the cost replacement method whereby the exempt square footage of all such buildings is multiplied by the replacement cost per square foot for Class A Average building found in the most recent edition of the Marshall & Swift Valuation Services Manual, adjusted by any appropriate current cost and local multipliers.

(B) Depreciation, for purposes of calculating the estimated fair market value of buildings on the property, is applied by utilizing a weighted mean life for the buildings based on original construction and assuming a 40-year life for hospital buildings and the applicable life for other types of buildings as specified in the American Hospital Association publication "Estimated Useful Lives of Depreciable Hospital Assets". In the case of hospital buildings, the remaining life is divided by 40 and this ratio is multiplied by the replacement cost of the buildings to obtain an estimated fair market value of buildings. If a hospital building is older than 35 years, a remaining life of 5 years for residual value is assumed; and if a building is less than 8 years old, a
remaining life of 32 years is assumed.

(C) The estimated assessed value of the land portion of the property shall be determined by multiplying (i) the per square foot average of the assessed values of three parcels of land (not including farm land, and excluding the assessed value of the improvements thereon) reasonably comparable to the property, by (ii) the number of square feet comprising the exempt portion of the property's land square footage.

(3) The assessment factor, State equalization rate, and tax rate (including any special factors such as Enterprise Zones) used in calculating the estimated property tax liability shall be for the most recent year that is publicly available from the applicable chief county assessment officer or officers at least 90 days before the end of the hospital year.

(4) The method utilized to calculate estimated property tax liability for purposes of this Section 15-86 shall not be utilized for the actual valuation, assessment, or taxation of property pursuant to the Property Tax Code.

(h) For the purpose of this Section, the following terms shall have the meanings set forth below:

(1) "Hospital" means any institution, place, building, buildings on a campus, or other health care facility
located in Illinois that is licensed under the Hospital Licensing Act and has a hospital owner.

(2) "Hospital owner" means a not-for-profit corporation that is the titleholder of a hospital, or the owner of the beneficial interest in an Illinois land trust that is the titleholder of a hospital.

(3) "Hospital affiliate" means any corporation, partnership, limited partnership, joint venture, limited liability company, association or other organization, other than a hospital owner, that directly or indirectly controls, is controlled by, or is under common control with one or more hospital owners and that supports, is supported by, or acts in furtherance of the exempt health care purposes of at least one of those hospital owners' hospitals.

(4) "Hospital system" means a hospital and one or more other hospitals or hospital affiliates related by common control or ownership.

(5) "Control" relating to hospital owners, hospital affiliates, or hospital systems means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the entity, whether through ownership of assets, membership interest, other voting or governance rights, by contract or otherwise.

(6) "Hospital applicant" means a hospital owner or hospital affiliate that files an application for an
exemption or renewal of exemption under this Section.

(7) "Relevant hospital entity" means (A) the hospital owner, in the case of a hospital applicant that is a hospital owner, and (B) at the election of a hospital applicant that is a hospital affiliate, either (i) the hospital affiliate or (ii) the hospital system to which the hospital applicant belongs, including any hospitals or hospital affiliates that are related by common control or ownership.

(8) "Subject property" means property used for the calculation under subsection (b) of this Section.

(9) "Hospital year" means the fiscal year of the relevant hospital entity, or the fiscal year of one of the hospital owners in the hospital system if the relevant hospital entity is a hospital system with members with different fiscal years, that ends in the year for which the exemption is sought.

(i) It is the intent of the General Assembly that any exemptions taken, granted, or renewed under this Section prior to the effective date of this amendatory Act of the 100th General Assembly are hereby validated.

(j) It is the intent of the General Assembly that the exemption under this Section applies on a continuous basis. If this amendatory Act of the 102nd General Assembly takes effect after July 1, 2022, any exemptions taken, granted, or renewed under this Section on or after July 1, 2022 and prior to the
effective date of this amendatory Act of the 102nd General
Assembly are hereby validated.

(k) This Section is exempt from the provisions of Section
3-75.
(Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

Section 25-20. The Service Occupation Tax Act is amended
by changing Section 3-8 as follows:

(35 ILCS 115/3-8)
Sec. 3-8. Hospital exemption.

(a) Tangible property sold to or used by a hospital owner that owns one or
more hospitals licensed under the Hospital Licensing Act or
operated under the University of Illinois Hospital Act, or a
hospital affiliate that is not already exempt under another
provision of this Act and meets the criteria for an exemption
under this Section, is exempt from taxation under this Act.

(b) A hospital owner or hospital affiliate satisfies the
conditions for an exemption under this Section if the value of
qualified services or activities listed in subsection (c) of
this Section for the hospital year equals or exceeds the
relevant hospital entity's estimated property tax liability,
without regard to any property tax exemption granted under
Section 15-86 of the Property Tax Code, for the calendar year
in which exemption or renewal of exemption is sought. For
purposes of making the calculations required by this subsection (b), if the relevant hospital entity is a hospital owner that owns more than one hospital, the value of the services or activities listed in subsection (c) shall be calculated on the basis of only those services and activities relating to the hospital that includes the subject property, and the relevant hospital entity's estimated property tax liability shall be calculated only with respect to the properties comprising that hospital. In the case of a multi-state hospital system or hospital affiliate, the value of the services or activities listed in subsection (c) shall be calculated on the basis of only those services and activities that occur in Illinois and the relevant hospital entity's estimated property tax liability shall be calculated only with respect to its property located in Illinois.

(c) The following services and activities shall be considered for purposes of making the calculations required by subsection (b):

(1) Charity care. Free or discounted services provided pursuant to the relevant hospital entity's financial assistance policy, measured at cost, including discounts provided under the Hospital Uninsured Patient Discount Act.

(2) Health services to low-income and underserved individuals. Other unreimbursed costs of the relevant hospital entity for providing without charge, paying for,
or subsidizing goods, activities, or services for the
purpose of addressing the health of low-income or
underserved individuals. Those activities or services may
include, but are not limited to: financial or in-kind
support to affiliated or unaffiliated hospitals, hospital
affiliates, community clinics, or programs that treat
low-income or underserved individuals; paying for or
subsidizing health care professionals who care for
low-income or underserved individuals; providing or
subsidizing outreach or educational services to low-income
or underserved individuals for disease management and
prevention; free or subsidized goods, supplies, or
services needed by low-income or underserved individuals
because of their medical condition; and prenatal or
childbirth outreach to low-income or underserved persons.

(3) Subsidy of State or local governments. Direct or
indirect financial or in-kind subsidies of State or local
governments by the relevant hospital entity that pay for
or subsidize activities or programs related to health care
for low-income or underserved individuals.

(4) Support for State health care programs for
low-income individuals. At the election of the hospital
applicant for each applicable year, either (A) 10% of
payments to the relevant hospital entity and any hospital
affiliate designated by the relevant hospital entity
(provided that such hospital affiliate's operations
provide financial or operational support for or receive financial or operational support from the relevant hospital entity) under Medicaid or other means-tested programs, including, but not limited to, General Assistance, the Covering ALL KIDS Health Insurance Act, and the State Children's Health Insurance Program or (B) the amount of subsidy provided by the relevant hospital entity and any hospital affiliate designated by the relevant hospital entity (provided that such hospital affiliate's operations provide financial or operational support for or receive financial or operational support from the relevant hospital entity) to State or local government in treating Medicaid recipients and recipients of means-tested programs, including but not limited to General Assistance, the Covering ALL KIDS Health Insurance Act, and the State Children's Health Insurance Program. The amount of subsidy for purposes of this item (4) is calculated in the same manner as unreimbursed costs are calculated for Medicaid and other means-tested government programs in the Schedule H of IRS Form 990 in effect on the effective date of this amendatory Act of the 97th General Assembly.

(5) Dual-eligible subsidy. The amount of subsidy provided to government by treating dual-eligible Medicare/Medicaid patients. The amount of subsidy for purposes of this item (5) is calculated by multiplying the
relevant hospital entity's unreimbursed costs for Medicare, calculated in the same manner as determined in the Schedule H of IRS Form 990 in effect on the effective date of this amendatory Act of the 97th General Assembly, by the relevant hospital entity's ratio of dual-eligible patients to total Medicare patients.

(6) Relief of the burden of government related to health care. Except to the extent otherwise taken into account in this subsection, the portion of unreimbursed costs of the relevant hospital entity attributable to providing, paying for, or subsidizing goods, activities, or services that relieve the burden of government related to health care for low-income individuals. Such activities or services shall include, but are not limited to, providing emergency, trauma, burn, neonatal, psychiatric, rehabilitation, or other special services; providing medical education; and conducting medical research or training of health care professionals. The portion of those unreimbursed costs attributable to benefiting low-income individuals shall be determined using the ratio calculated by adding the relevant hospital entity's costs attributable to charity care, Medicaid, other means-tested government programs, Medicare patients with disabilities under age 65, and dual-eligible Medicare/Medicaid patients and dividing that total by the relevant hospital entity's total costs. Such costs for the numerator and denominator
shall be determined by multiplying gross charges by the
cost to charge ratio taken from the hospital's most
recently filed Medicare cost report (CMS 2252-10
Worksheet, Part I). In the case of emergency services, the
ratio shall be calculated using costs (gross charges
multiplied by the cost to charge ratio taken from the
hospital's most recently filed Medicare cost report (CMS
2252-10 Worksheet, Part I)) of patients treated in the
relevant hospital entity's emergency department.

(7) Any other activity by the relevant hospital entity
that the Department determines relieves the burden of
government or addresses the health of low-income or
underserved individuals.

(d) The hospital applicant shall include information in
its exemption application establishing that it satisfies the
requirements of subsection (b). For purposes of making the
calculations required by subsection (b), the hospital
applicant may for each year elect to use either (1) the value
of the services or activities listed in subsection (e) for the
hospital year or (2) the average value of those services or
activities for the 3 fiscal years ending with the hospital
year. If the relevant hospital entity has been in operation
for less than 3 completed fiscal years, then the latter
calculation, if elected, shall be performed on a pro rata
basis.

(e) For purposes of making the calculations required by
this Section:

(1) particular services or activities eligible for consideration under any of the paragraphs (1) through (7) of subsection (c) may not be counted under more than one of those paragraphs; and

(2) the amount of unreimbursed costs and the amount of subsidy shall not be reduced by restricted or unrestricted payments received by the relevant hospital entity as contributions deductible under Section 170(a) of the Internal Revenue Code.

(f) (Blank).

(g) Estimation of Exempt Property Tax Liability. The estimated property tax liability used for the determination in subsection (b) shall be calculated as follows:

(1) "Estimated property tax liability" means the estimated dollar amount of property tax that would be owed, with respect to the exempt portion of each of the relevant hospital entity's properties that are already fully or partially exempt, or for which an exemption in whole or in part is currently being sought, and then aggregated as applicable, as if the exempt portion of those properties were subject to tax, calculated with respect to each such property by multiplying:

(A) the lesser of (i) the actual assessed value, if any, of the portion of the property for which an exemption is sought or (ii) an estimated assessed
value of the exempt portion of such property as determined in item (2) of this subsection (g), by

(B) the applicable State equalization rate (yielding the equalized assessed value), by

(C) the applicable tax rate.

(2) The estimated assessed value of the exempt portion of the property equals the sum of (i) the estimated fair market value of buildings on the property, as determined in accordance with subparagraphs (A) and (B) of this item (2), multiplied by the applicable assessment factor, and (ii) the estimated assessed value of the land portion of the property, as determined in accordance with subparagraph (C).

(A) The "estimated fair market value of buildings on the property" means the replacement value of any exempt portion of buildings on the property, minus depreciation, determined utilizing the cost replacement method whereby the exempt square footage of all such buildings is multiplied by the replacement cost per square foot for Class A Average building found in the most recent edition of the Marshall & Swift Valuation Services Manual, adjusted by any appropriate current cost and local multipliers.

(B) Depreciation, for purposes of calculating the estimated fair market value of buildings on the property, is applied by utilizing a weighted mean life
for the buildings based on original construction and assuming a 40-year life for hospital buildings and the applicable life for other types of buildings as specified in the American Hospital Association publication "Estimated Useful Lives of Depreciable Hospital Assets". In the case of hospital buildings, the remaining life is divided by 40 and this ratio is multiplied by the replacement cost of the buildings to obtain an estimated fair market value of buildings. If a hospital building is older than 35 years, a remaining life of 5 years for residual value is assumed; and if a building is less than 8 years old, a remaining life of 32 years is assumed.

(C) The estimated assessed value of the land portion of the property shall be determined by multiplying (i) the per square foot average of the assessed values of three parcels of land (not including farm land, and excluding the assessed value of the improvements thereon) reasonably comparable to the property, by (ii) the number of square feet comprising the exempt portion of the property's land square footage.

(3) The assessment factor, State equalization rate, and tax rate (including any special factors such as Enterprise Zones) used in calculating the estimated property tax liability shall be for the most recent year.
that is publicly available from the applicable chief
county assessment officer or officers at least 90 days
before the end of the hospital year.

(4) The method utilized to calculate estimated
property tax liability for purposes of this Section 15-86
shall not be utilized for the actual valuation,
assessment, or taxation of property pursuant to the
Property Tax Code.

(h) For the purpose of this Section, the following terms
shall have the meanings set forth below:

(1) "Hospital" means any institution, place, building,
buildings on a campus, or other health care facility
located in Illinois that is licensed under the Hospital
Licensing Act and has a hospital owner.

(2) "Hospital owner" means a not-for-profit
corporation that is the titleholder of a hospital, or the
owner of the beneficial interest in an Illinois land trust
that is the titleholder of a hospital.

(3) "Hospital affiliate" means any corporation,
partnership, limited partnership, joint venture, limited
liability company, association or other organization,
other than a hospital owner, that directly or indirectly
controls, is controlled by, or is under common control
with one or more hospital owners and that supports, is
supported by, or acts in furtherance of the exempt health
care purposes of at least one of those hospital owners'
(4) "Hospital system" means a hospital and one or more other hospitals or hospital affiliates related by common control or ownership.

(5) "Control" relating to hospital owners, hospital affiliates, or hospital systems means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the entity, whether through ownership of assets, membership interest, other voting or governance rights, by contract or otherwise.

(6) "Hospital applicant" means a hospital owner or hospital affiliate that files an application for an exemption or renewal of exemption under this Section.

(7) "Relevant hospital entity" means (A) the hospital owner, in the case of a hospital applicant that is a hospital owner, and (B) at the election of a hospital applicant that is a hospital affiliate, either (i) the hospital affiliate or (ii) the hospital system to which the hospital applicant belongs, including any hospitals or hospital affiliates that are related by common control or ownership.

(8) "Subject property" means property used for the calculation under subsection (b) of this Section.

(9) "Hospital year" means the fiscal year of the relevant hospital entity, or the fiscal year of one of the hospital owners in the hospital system if the relevant
hospital entity is a hospital system with members with different fiscal years, that ends in the year for which the exemption is sought.

(i) It is the intent of the General Assembly that any exemptions taken, granted, or renewed under this Section prior to the effective date of this amendatory Act of the 100th General Assembly are hereby validated.

(j) It is the intent of the General Assembly that the exemption under this Section applies on a continuous basis. If this amendatory Act of the 102nd General Assembly takes effect after July 1, 2022, any exemptions taken, granted, or renewed under this Section on or after July 1, 2022 and prior to the effective date of this amendatory Act of the 102nd General Assembly are hereby validated.

(k) This Section is exempt from the provisions of Section 3-55.

(Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

Section 25-25. The Retailers' Occupation Tax Act is amended by changing Section 2-9 as follows:

(35 ILCS 120/2-9)

Sec. 2-9. Hospital exemption.

(a) Tangible property sold to or used by a hospital owner that owns one or more hospitals licensed under the Hospital Licensing Act or
operated under the University of Illinois Hospital Act, or a
hospital affiliate that is not already exempt under another
 provision of this Act and meets the criteria for an exemption
 under this Section, is exempt from taxation under this Act.

(b) A hospital owner or hospital affiliate satisfies the
 conditions for an exemption under this Section if the value of
 qualified services or activities listed in subsection (c) of
 this Section for the hospital year equals or exceeds the
 relevant hospital entity's estimated property tax liability,
 without regard to any property tax exemption granted under
 Section 15-86 of the Property Tax Code, for the calendar year
 in which exemption or renewal of exemption is sought. For
 purposes of making the calculations required by this
 subsection (b), if the relevant hospital entity is a hospital
 owner that owns more than one hospital, the value of the
 services or activities listed in subsection (c) shall be
 calculated on the basis of only those services and activities
 relating to the hospital that includes the subject property,
 and the relevant hospital entity's estimated property tax
 liability shall be calculated only with respect to the
 properties comprising that hospital. In the case of a
 multi-state hospital system or hospital affiliate, the value
 of the services or activities listed in subsection (c) shall
 be calculated on the basis of only those services and
 activities that occur in Illinois and the relevant hospital
 entity's estimated property tax liability shall be calculated
only with respect to its property located in Illinois.

(c) The following services and activities shall be considered for purposes of making the calculations required by subsection (b):

(1) Charity care. Free or discounted services provided pursuant to the relevant hospital entity's financial assistance policy, measured at cost, including discounts provided under the Hospital Uninsured Patient Discount Act.

(2) Health services to low-income and underserved individuals. Other unreimbursed costs of the relevant hospital entity for providing without charge, paying for, or subsidizing goods, activities, or services for the purpose of addressing the health of low-income or underserved individuals. Those activities or services may include, but are not limited to: financial or in-kind support to affiliated or unaffiliated hospitals, hospital affiliates, community clinics, or programs that treat low-income or underserved individuals; paying for or subsidizing health care professionals who care for low-income or underserved individuals; providing or subsidizing outreach or educational services to low-income or underserved individuals for disease management and prevention; free or subsidized goods, supplies, or services needed by low-income or underserved individuals because of their medical condition; and prenatal or
childbirth outreach to low-income or underserved persons.

(3) Subsidy of State or local governments. Direct or indirect financial or in-kind subsidies of State or local governments by the relevant hospital entity that pay for or subsidize activities or programs related to health care for low-income or underserved individuals.

(4) Support for State health care programs for low-income individuals. At the election of the hospital applicant for each applicable year, either (A) 10% of payments to the relevant hospital entity and any hospital affiliate designated by the relevant hospital entity (provided that such hospital affiliate's operations provide financial or operational support for or receive financial or operational support from the relevant hospital entity) under Medicaid or other means-tested programs, including, but not limited to, General Assistance, the Covering ALL KIDS Health Insurance Act, and the State Children's Health Insurance Program or (B) the amount of subsidy provided by the relevant hospital entity and any hospital affiliate designated by the relevant hospital entity (provided that such hospital affiliate's operations provide financial or operational support for or receive financial or operational support from the relevant hospital entity) to State or local government in treating Medicaid recipients and recipients of means-tested programs, including but not limited to
General Assistance, the Covering ALL KIDS Health Insurance Act, and the State Children's Health Insurance Program. The amount of subsidy for purposes of this item (4) is calculated in the same manner as unreimbursed costs are calculated for Medicaid and other means-tested government programs in the Schedule H of IRS Form 990 in effect on the effective date of this amendatory Act of the 97th General Assembly.

(5) Dual-eligible subsidy. The amount of subsidy provided to government by treating dual-eligible Medicare/Medicaid patients. The amount of subsidy for purposes of this item (5) is calculated by multiplying the relevant hospital entity's unreimbursed costs for Medicare, calculated in the same manner as determined in the Schedule H of IRS Form 990 in effect on the effective date of this amendatory Act of the 97th General Assembly, by the relevant hospital entity's ratio of dual-eligible patients to total Medicare patients.

(6) Relief of the burden of government related to health care. Except to the extent otherwise taken into account in this subsection, the portion of unreimbursed costs of the relevant hospital entity attributable to providing, paying for, or subsidizing goods, activities, or services that relieve the burden of government related to health care for low-income individuals. Such activities or services shall include, but are not limited to,
providing emergency, trauma, burn, neonatal, psychiatric, rehabilitation, or other special services; providing medical education; and conducting medical research or training of health care professionals. The portion of those unreimbursed costs attributable to benefiting low-income individuals shall be determined using the ratio calculated by adding the relevant hospital entity's costs attributable to charity care, Medicaid, other means-tested government programs, Medicare patients with disabilities under age 65, and dual-eligible Medicare/Medicaid patients and dividing that total by the relevant hospital entity's total costs. Such costs for the numerator and denominator shall be determined by multiplying gross charges by the cost to charge ratio taken from the hospital's most recently filed Medicare cost report (CMS 2252-10 Worksheet, Part I). In the case of emergency services, the ratio shall be calculated using costs (gross charges multiplied by the cost to charge ratio taken from the hospital's most recently filed Medicare cost report (CMS 2252-10 Worksheet, Part I)) of patients treated in the relevant hospital entity's emergency department.

(7) Any other activity by the relevant hospital entity that the Department determines relieves the burden of government or addresses the health of low-income or underserved individuals.

(d) The hospital applicant shall include information in
its exemption application establishing that it satisfies the requirements of subsection (b). For purposes of making the calculations required by subsection (b), the hospital applicant may for each year elect to use either (1) the value of the services or activities listed in subsection (e) for the hospital year or (2) the average value of those services or activities for the 3 fiscal years ending with the hospital year. If the relevant hospital entity has been in operation for less than 3 completed fiscal years, then the latter calculation, if elected, shall be performed on a pro rata basis.

(e) For purposes of making the calculations required by this Section:

(1) particular services or activities eligible for consideration under any of the paragraphs (1) through (7) of subsection (c) may not be counted under more than one of those paragraphs; and

(2) the amount of unreimbursed costs and the amount of subsidy shall not be reduced by restricted or unrestricted payments received by the relevant hospital entity as contributions deductible under Section 170(a) of the Internal Revenue Code.

(f) (Blank).

(g) Estimation of Exempt Property Tax Liability. The estimated property tax liability used for the determination in subsection (b) shall be calculated as follows:
"Estimated property tax liability" means the estimated dollar amount of property tax that would be owed, with respect to the exempt portion of each of the relevant hospital entity's properties that are already fully or partially exempt, or for which an exemption in whole or in part is currently being sought, and then aggregated as applicable, as if the exempt portion of those properties were subject to tax, calculated with respect to each such property by multiplying:

(A) the lesser of (i) the actual assessed value, if any, of the portion of the property for which an exemption is sought or (ii) an estimated assessed value of the exempt portion of such property as determined in item (2) of this subsection (g), by

(B) the applicable State equalization rate (yielding the equalized assessed value), by

(C) the applicable tax rate.

(2) The estimated assessed value of the exempt portion of the property equals the sum of (i) the estimated fair market value of buildings on the property, as determined in accordance with subparagraphs (A) and (B) of this item (2), multiplied by the applicable assessment factor, and (ii) the estimated assessed value of the land portion of the property, as determined in accordance with subparagraph (C).

(A) The "estimated fair market value of buildings
on the property" means the replacement value of any exempt portion of buildings on the property, minus depreciation, determined utilizing the cost replacement method whereby the exempt square footage of all such buildings is multiplied by the replacement cost per square foot for Class A Average building found in the most recent edition of the Marshall & Swift Valuation Services Manual, adjusted by any appropriate current cost and local multipliers.

(B) Depreciation, for purposes of calculating the estimated fair market value of buildings on the property, is applied by utilizing a weighted mean life for the buildings based on original construction and assuming a 40-year life for hospital buildings and the applicable life for other types of buildings as specified in the American Hospital Association publication "Estimated Useful Lives of Depreciable Hospital Assets". In the case of hospital buildings, the remaining life is divided by 40 and this ratio is multiplied by the replacement cost of the buildings to obtain an estimated fair market value of buildings. If a hospital building is older than 35 years, a remaining life of 5 years for residual value is assumed; and if a building is less than 8 years old, a remaining life of 32 years is assumed.

(C) The estimated assessed value of the land
portion of the property shall be determined by multiplying (i) the per square foot average of the assessed values of three parcels of land (not including farm land, and excluding the assessed value of the improvements thereon) reasonably comparable to the property, by (ii) the number of square feet comprising the exempt portion of the property's land square footage.

(3) The assessment factor, State equalization rate, and tax rate (including any special factors such as Enterprise Zones) used in calculating the estimated property tax liability shall be for the most recent year that is publicly available from the applicable chief county assessment officer or officers at least 90 days before the end of the hospital year.

(4) The method utilized to calculate estimated property tax liability for purposes of this Section 15-86 shall not be utilized for the actual valuation, assessment, or taxation of property pursuant to the Property Tax Code.

(h) For the purpose of this Section, the following terms shall have the meanings set forth below:

(1) "Hospital" means any institution, place, building, buildings on a campus, or other health care facility located in Illinois that is licensed under the Hospital Licensing Act and has a hospital owner.
(2) "Hospital owner" means a not-for-profit corporation that is the titleholder of a hospital, or the owner of the beneficial interest in an Illinois land trust that is the titleholder of a hospital.

(3) "Hospital affiliate" means any corporation, partnership, limited partnership, joint venture, limited liability company, association or other organization, other than a hospital owner, that directly or indirectly controls, is controlled by, or is under common control with one or more hospital owners and that supports, is supported by, or acts in furtherance of the exempt health care purposes of at least one of those hospital owners' hospitals.

(4) "Hospital system" means a hospital and one or more other hospitals or hospital affiliates related by common control or ownership.

(5) "Control" relating to hospital owners, hospital affiliates, or hospital systems means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the entity, whether through ownership of assets, membership interest, other voting or governance rights, by contract or otherwise.

(6) "Hospital applicant" means a hospital owner or hospital affiliate that files an application for an exemption or renewal of exemption under this Section.

(7) "Relevant hospital entity" means (A) the hospital
owner, in the case of a hospital applicant that is a hospital owner, and (B) at the election of a hospital applicant that is a hospital affiliate, either (i) the hospital affiliate or (ii) the hospital system to which the hospital applicant belongs, including any hospitals or hospital affiliates that are related by common control or ownership.

(8) "Subject property" means property used for the calculation under subsection (b) of this Section.

(9) "Hospital year" means the fiscal year of the relevant hospital entity, or the fiscal year of one of the hospital owners in the hospital system if the relevant hospital entity is a hospital system with members with different fiscal years, that ends in the year for which the exemption is sought.

(i) It is the intent of the General Assembly that any exemptions taken, granted, or renewed under this Section prior to the effective date of this amendatory Act of the 100th General Assembly are hereby validated.

(j) It is the intent of the General Assembly that the exemption under this Section applies on a continuous basis. If this amendatory Act of the 102nd General Assembly takes effect after July 1, 2022, any exemptions taken, granted, or renewed under this Section on or after July 1, 2022 and prior to the effective date of this amendatory Act of the 102nd General Assembly are hereby validated.
(k) This Section is exempt from the provisions of Section 2-70.
(Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

ARTICLE 30. ORGAN DONATION

Section 30-5. The Illinois Income Tax Act is amended by changing Section 704A as follows:

(35 ILCS 5/704A)

Sec. 704A. Employer's return and payment of tax withheld.
(a) In general, every employer who deducts and withholds or is required to deduct and withhold tax under this Act on or after January 1, 2008 shall make those payments and returns as provided in this Section.
(b) Returns. Every employer shall, in the form and manner required by the Department, make returns with respect to taxes withheld or required to be withheld under this Article 7 for each quarter beginning on or after January 1, 2008, on or before the last day of the first month following the close of that quarter.
(c) Payments. With respect to amounts withheld or required to be withheld on or after January 1, 2008:
(1) Semi-weekly payments. For each calendar year, each employer who withheld or was required to withhold more than $12,000 during the one-year period ending on June 30
of the immediately preceding calendar year, payment must be made:

(A) on or before each Friday of the calendar year, for taxes withheld or required to be withheld on the immediately preceding Saturday, Sunday, Monday, or Tuesday;

(B) on or before each Wednesday of the calendar year, for taxes withheld or required to be withheld on the immediately preceding Wednesday, Thursday, or Friday.

Beginning with calendar year 2011, payments made under this paragraph (1) of subsection (c) must be made by electronic funds transfer.

(2) Semi-weekly payments. Any employer who withholds or is required to withhold more than $12,000 in any quarter of a calendar year is required to make payments on the dates set forth under item (1) of this subsection (c) for each remaining quarter of that calendar year and for the subsequent calendar year.

(3) Monthly payments. Each employer, other than an employer described in items (1) or (2) of this subsection, shall pay to the Department, on or before the 15th day of each month the taxes withheld or required to be withheld during the immediately preceding month.

(4) Payments with returns. Each employer shall pay to the Department, on or before the due date for each return
required to be filed under this Section, any tax withheld or required to be withheld during the period for which the return is due and not previously paid to the Department.

(d) Regulatory authority. The Department may, by rule:

(1) Permit employers, in lieu of the requirements of subsections (b) and (c), to file annual returns due on or before January 31 of the year for taxes withheld or required to be withheld during the previous calendar year and, if the aggregate amounts required to be withheld by the employer under this Article 7 (other than amounts required to be withheld under Section 709.5) do not exceed $1,000 for the previous calendar year, to pay the taxes required to be shown on each such return no later than the due date for such return.

(2) Provide that any payment required to be made under subsection (c)(1) or (c)(2) is deemed to be timely to the extent paid by electronic funds transfer on or before the due date for deposit of federal income taxes withheld from, or federal employment taxes due with respect to, the wages from which the Illinois taxes were withheld.

(3) Designate one or more depositories to which payment of taxes required to be withheld under this Article 7 must be paid by some or all employers.

(4) Increase the threshold dollar amounts at which employers are required to make semi-weekly payments under subsection (c)(1) or (c)(2).
(e) Annual return and payment. Every employer who deducts and withholds or is required to deduct and withhold tax from a person engaged in domestic service employment, as that term is defined in Section 3510 of the Internal Revenue Code, may comply with the requirements of this Section with respect to such employees by filing an annual return and paying the taxes required to be deducted and withheld on or before the 15th day of the fourth month following the close of the employer's taxable year. The Department may allow the employer's return to be submitted with the employer's individual income tax return or to be submitted with a return due from the employer under Section 1400.2 of the Unemployment Insurance Act.

(f) Magnetic media and electronic filing. With respect to taxes withheld in calendar years prior to 2017, any W-2 Form that, under the Internal Revenue Code and regulations promulgated thereunder, is required to be submitted to the Internal Revenue Service on magnetic media or electronically must also be submitted to the Department on magnetic media or electronically for Illinois purposes, if required by the Department.

With respect to taxes withheld in 2017 and subsequent calendar years, the Department may, by rule, require that any return (including any amended return) under this Section and any W-2 Form that is required to be submitted to the Department must be submitted on magnetic media or electronically.

The due date for submitting W-2 Forms shall be as
prescribed by the Department by rule.

(g) For amounts deducted or withheld after December 31, 2009, a taxpayer who makes an election under subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act for a taxable year shall be allowed a credit against payments due under this Section for amounts withheld during the first calendar year beginning after the end of that taxable year equal to the amount of the credit for the incremental income tax attributable to full-time employees of the taxpayer awarded to the taxpayer by the Department of Commerce and Economic Opportunity under the Economic Development for a Growing Economy Tax Credit Act for the taxable year and credits not previously claimed and allowed to be carried forward under Section 211(4) of this Act as provided in subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act. The credit or credits may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit or credits exceeds the total payments due under this Section with respect to amounts withheld during the calendar year, the excess may be carried forward and applied against the taxpayer's liability under this Section in the succeeding calendar years as allowed to be carried forward under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one
taxable year that are available to offset a liability, the earlier credit shall be applied first. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings under subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depositary designated by the Department those withheld taxes not retained by the taxpayer. For purposes of this subsection (g), the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection (a) of Section 1501 of this Act. This Section is exempt from the provisions of Section 250 of this Act. No credit awarded under the Economic Development for a Growing Economy Tax Credit Act for agreements entered into on or after January 1, 2015 may be credited against payments due under this Section.

(g-1) For amounts deducted or withheld after December 31, 2024, a taxpayer who makes an election under the Reimagining Electric Vehicles in Illinois Act shall be allowed a credit against payments due under this Section for amounts withheld during the first quarterly reporting period beginning after the certificate is issued equal to the portion of the REV Illinois Credit attributable to the incremental income tax attributable to new employees and retained employees as
certified by the Department of Commerce and Economic Opportunity pursuant to an agreement with the taxpayer under the Reimagining Electric Vehicles in Illinois Act for the taxable year. The credit or credits may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit or credits exceeds the total payments due under this Section with respect to amounts withheld during the quarterly reporting period, the excess may be carried forward and applied against the taxpayer's liability under this Section in the succeeding quarterly reporting period as allowed to be carried forward under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest quarterly reporting period for which there is a tax liability. If there are credits from more than one quarterly reporting period that are available to offset a liability, the earlier credit shall be applied first. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings this subsection must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depositary designated by the Department those withheld taxes not retained by the taxpayer. For purposes of this subsection (g-1), the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection
(a) of Section 1501 of this Act. This Section is exempt from the provisions of Section 250 of this Act.

(h) An employer may claim a credit against payments due under this Section for amounts withheld during the first calendar year ending after the date on which a tax credit certificate was issued under Section 35 of the Small Business Job Creation Tax Credit Act. The credit shall be equal to the amount shown on the certificate, but may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit exceeds the total payments due under this Section with respect to amounts withheld during the calendar year, the excess may be carried forward and applied against the taxpayer's liability under this Section in the 5 succeeding calendar years. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one calendar year that are available to offset a liability, the earlier credit shall be applied first. This Section is exempt from the provisions of Section 250 of this Act.

(i) Each employer with 50 or fewer full-time equivalent employees during the reporting period may claim a credit against the payments due under this Section for each qualified employee in an amount equal to the maximum credit allowable. The credit may be taken against payments due for reporting periods that begin on or after January 1, 2020, and end on or before December 31, 2027. An employer may not claim a credit
for an employee who has worked fewer than 90 consecutive days immediately preceding the reporting period; however, such credits may accrue during that 90-day period and be claimed against payments under this Section for future reporting periods after the employee has worked for the employer at least 90 consecutive days. In no event may the credit exceed the employer's liability for the reporting period. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings under this subsection must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depositary designated by the Department those withheld taxes not retained by the employer.

For each reporting period, the employer may not claim a credit or credits for more employees than the number of employees making less than the minimum or reduced wage for the current calendar year during the last reporting period of the preceding calendar year. Notwithstanding any other provision of this subsection, an employer shall not be eligible for credits for a reporting period unless the average wage paid by the employer per employee for all employees making less than $55,000 during the reporting period is greater than the average wage paid by the employer per employee for all employees making less than $55,000 during the same reporting period of the prior calendar year.
For purposes of this subsection (i):

"Compensation paid in Illinois" has the meaning ascribed
to that term under Section 304(a)(2)(B) of this Act.

"Employer" and "employee" have the meaning ascribed to
those terms in the Minimum Wage Law, except that "employee"
also includes employees who work for an employer with fewer
than 4 employees. Employers that operate more than one
establishment pursuant to a franchise agreement or that
constitute members of a unitary business group shall aggregate
their employees for purposes of determining eligibility for
the credit.

"Full-time equivalent employees" means the ratio of the
number of paid hours during the reporting period and the
number of working hours in that period.

"Maximum credit" means the percentage listed below of the
difference between the amount of compensation paid in Illinois
to employees who are paid not more than the required minimum
wage reduced by the amount of compensation paid in Illinois to
employees who were paid less than the current required minimum
wage during the reporting period prior to each increase in the
required minimum wage on January 1. If an employer pays an
employee more than the required minimum wage and that employee
previously earned less than the required minimum wage, the
employer may include the portion that does not exceed the
required minimum wage as compensation paid in Illinois to
employees who are paid not more than the required minimum
(1) 25% for reporting periods beginning on or after January 1, 2020 and ending on or before December 31, 2020;
(2) 21% for reporting periods beginning on or after January 1, 2021 and ending on or before December 31, 2021;
(3) 17% for reporting periods beginning on or after January 1, 2022 and ending on or before December 31, 2022;
(4) 13% for reporting periods beginning on or after January 1, 2023 and ending on or before December 31, 2023;
(5) 9% for reporting periods beginning on or after January 1, 2024 and ending on or before December 31, 2024;
(6) 5% for reporting periods beginning on or after January 1, 2025 and ending on or before December 31, 2025.

The amount computed under this subsection may continue to be claimed for reporting periods beginning on or after January 1, 2026 and:

(A) ending on or before December 31, 2026 for employers with more than 5 employees; or
(B) ending on or before December 31, 2027 for employers with no more than 5 employees.

"Qualified employee" means an employee who is paid not more than the required minimum wage and has an average wage paid per hour by the employer during the reporting period equal to or greater than his or her average wage paid per hour by the employer during each reporting period for the immediately preceding 12 months. A new qualified employee is
deemed to have earned the required minimum wage in the
preceding reporting period.

"Reporting period" means the quarter for which a return is
required to be filed under subsection (b) of this Section.

(j) For reporting periods beginning on or after January 1,
2023, if a private employer grants all of its employees the
option of taking a paid leave of absence of at least 30 days
for the purpose of serving as an organ donor or bone marrow
donor, then the private employer may take a credit against the
payments due under this Section in an amount equal to the
amount withheld under this Section with respect to wages paid
while the employee is on organ donation leave, not to exceed
$1,000 in withholdings for each employee who takes organ
donation leave. To be eligible for the credit, such a leave of
absence must be taken without loss of pay, vacation time,
compensatory time, personal days, or sick time for at least
the first 30 days of the leave of absence. The private employer
shall adopt rules governing organ donation leave, including
rules that (i) establish conditions and procedures for
requesting and approving leave and (ii) require medical
documentation of the proposed organ or bone marrow donation
before leave is approved by the private employer. A private
employer must provide, in the manner required by the
Department, documentation from the employee's medical
provider, which the private employer receives from the
employee, that verifies the employee's organ donation. The
private employer must also provide, in the manner required by
the Department, documentation that shows that a qualifying
organ donor leave policy was in place and offered to all
qualifying employees at the time the leave was taken. For the
private employer to receive the tax credit, the employee
taking organ donor leave must allow for the applicable medical
records to be disclosed to the Department. If the private
employer cannot provide the required documentation to the
Department, then the private employer is ineligible for the
credit under this Section. A private employer must also
provide, in the form required by the Department, any
additional documentation or information required by the
Department to administer the credit under this Section. The
credit under this subsection (j) shall be taken within one
year after the date upon which the organ donation leave
begins. If the leave taken spans into a second tax year, the
employer qualifies for the allowable credit in the later of
the 2 years. If the amount of credit exceeds the tax liability
for the year, the excess may be carried and applied to the tax
liability for the 3 taxable years following the excess credit
year. The tax credit shall be applied to the earliest year for
which there is a tax liability. If there are credits for more
than one year that are available to offset liability, the
earlier credit shall be applied first.

Nothing in this subsection (j) prohibits a private
employer from providing an unpaid leave of absence to its
employees for the purpose of serving as an organ donor or bone
marrow donor; however, if the employer's policy provides for
fewer than 30 days of paid leave for organ or bone marrow
donation, then the employer shall not be eligible for the
credit under this Section.

As used in this subsection (j):

"Organ" means any biological tissue of the human body
that may be donated by a living donor, including, but not
limited to, the kidney, liver, lung, pancreas, intestine,
bone, skin, or any subpart of those organs.

"Organ donor" means a person from whose body an organ
is taken to be transferred to the body of another person.

"Private employer" means a sole proprietorship,
corporation, partnership, limited liability company, or
other entity with one or more employees. "Private
employer" does not include a municipality, county, State
agency, or other public employer.

This subsection (j) is exempt from the provisions of
Section 250 of this Act.

(Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21.)

ARTICLE 40. TAX REBATES

Section 40-3. The Illinois Administrative Procedure Act is
amended by adding Section 5-45.21 as follows:
Sec. 5-45.21. Emergency rulemaking. To provide for the expeditious and timely implementation of this amendatory Act of the 102nd General Assembly, emergency rules implementing Sections 208.5 and 212.1 of the Illinois Income Tax Act may be adopted in accordance with Section 5-45 by the Department of Revenue. The adoption of emergency rules authorized by Section 5-45 and this Section is deemed to be necessary for the public interest, safety, and welfare.

This Section is repealed one year after the effective date of this amendatory Act of the 102nd General Assembly.

Section 40-5. The State Finance Act is amended by changing Section 8g-1 as follows:

Sec. 8g-1. Fund transfers.

(a) (Blank).
(b) (Blank).
(c) (Blank).
(d) (Blank).
(e) (Blank).
(f) (Blank).
(g) (Blank).
(h) (Blank).
(i) (Blank).
(u) In addition to any other transfers that may be provided for by law, on July 1, 2021, or as soon thereafter as practical, only as directed by the Director of the Governor's Office of Management and Budget, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $5,000,000 from the General Revenue Fund to the DoIT Special Projects Fund, and on June 1, 2022, or as soon thereafter as practical, but no later than June 30, 2022, the State Comptroller shall direct and the State Treasurer shall transfer the sum so transferred from the DoIT Special Projects Fund to the General Revenue Fund.

(v) In addition to any other transfers that may be provided for by law, on July 1, 2021, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $500,000 from the General Revenue
Revenue Fund to the Governor's Administrative Fund.

(w) In addition to any other transfers that may be provided for by law, on July 1, 2021, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $500,000 from the General Revenue Fund to the Grant Accountability and Transparency Fund.

(x) In addition to any other transfers that may be provided for by law, at a time or times during Fiscal Year 2022 as directed by the Governor, the State Comptroller shall direct and the State Treasurer shall transfer up to a total of $20,000,000 from the General Revenue Fund to the Illinois Sports Facilities Fund to be credited to the Advance Account within the Fund.

(y) In addition to any other transfers that may be provided for by law, on June 15, 2021, or as soon thereafter as practical, but no later than June 30, 2021, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $100,000,000 from the General Revenue Fund to the Technology Management Revolving Fund.

(z) In addition to any other transfers that may be provided by law, on the effective date of this amendatory Act of the 102nd General Assembly, or as soon thereafter as practical, but no later than June 30, 2022, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $685,000,000 from the General Revenue Fund
to the Income Tax Refund Fund. Moneys from this transfer shall be used for the purpose of making the one-time rebate payments provided under Section 212.1 of the Illinois Income Tax Act.

(aa) In addition to any other transfers that may be provided by law, beginning on the effective date of this amendatory Act of the 102nd General Assembly and until December 31, 2023, at the direction of the Department of Revenue, the State Comptroller shall direct and the State Treasurer shall transfer from the General Revenue Fund to the Income Tax Refund Fund any amounts needed beyond the amounts transferred in subsection (z) to make payments of the one-time rebate payments provided under Section 212.1 of the Illinois Income Tax Act.

(Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20; 102-16, eff. 6-17-21.)

Section 40-10. The Illinois Income Tax Act is amended by changing Section 901 and by adding Sections 208.5 and 212.1 as follows:

(35 ILCS 5/208.5 new)

Sec. 208.5. Residential real estate tax rebate.

(a) The Department shall pay a one-time rebate to every individual taxpayer who files with the Department, on or before October 17, 2022, an Illinois income tax return for tax year 2021 and who qualifies, in that tax year, under rules
adopted by the Department, for the income tax credit provided
under Section 208 of this Act. The amount of the one-time
rebate provided under this Section shall be the lesser of: (1)
the amount of the credit provided under Section 208 for tax
year 2021, including any amounts that would otherwise reduce a
taxpayer's liability to less than zero, or (2) $300 per
principal residence. The Department shall develop a process to
claim a rebate for taxpayers who otherwise would be eligible
for the rebate under this Section but who did not have an
obligation to file a 2021 Illinois income tax return because
their exemption allowance exceeded their Illinois base income.

(b) On the effective date of this amendatory Act of the
102nd General Assembly, or as soon thereafter as practical,
but no later than June 30, 2022, the State Comptroller shall
direct and the State Treasurer shall transfer the sum of
$470,000,000 from the General Revenue Fund to the Income Tax
Refund Fund.

(c) On July 1, 2022, or as soon thereafter as practical,
the State Comptroller shall direct and the State Treasurer
shall transfer the sum of $50,000,000 from the General Revenue
Fund to the Income Tax Refund Fund.

(d) In addition to any other transfers that may be
provided for by law, beginning on the effective date of this
amendatory Act of the 102nd General Assembly and until June
30, 2023, the Director may certify additional transfer amounts
needed beyond the amounts specified in subsections (b) and
(c). The State Comptroller shall direct and the State Treasurer shall transfer the amounts certified by the Director from the General Revenue Fund to the Income Tax Refund Fund.

(e) The one-time rebate payments provided under this Section shall be paid from the Income Tax Refund Fund.

(f) Beginning on July 5, 2022, the Department shall certify to the Comptroller the names of the taxpayers who are eligible for a one-time rebate under this Section, the amounts of those rebates, and any other information that the Comptroller requires to direct the payment of the rebates provided under this Section to taxpayers.

(g) The amount of a rebate under this Section shall not be included in the taxpayer's income or resources for the purposes of determining eligibility or benefit level in any means-tested benefit program administered by a governmental entity unless required by federal law.

(h) Notwithstanding any other law to the contrary, the rebates shall not be subject to offset by the Comptroller against any liability owed either to the State or to any unit of local government.

(i) This Section is repealed on January 1, 2024.

(35 ILCS 5/212.1 new)

Sec. 212.1. Individual income tax rebates.

(a) Each taxpayer who files an individual income tax return under this Act, on or before October 17, 2022, for the
taxable year that began on January 1, 2021 and whose adjusted
gross income for the taxable year is less than (i) $400,000, in
the case of spouses filing a joint federal tax return, or (ii)
$200,000, in the case of all other taxpayers, is entitled to a
one-time rebate under this Section. The amount of the rebate
shall be $50 for single filers and $100 for spouses filing a
joint return, plus an additional $100 for each person who is
claimed as a dependent, up to 3 dependents, on the taxpayer's
federal income tax return for the taxable year that began on
January 1, 2021. A taxpayer who files an individual income tax
return under this Act for the taxable year that began on
January 1, 2021, and who is claimed as a dependent on another
individual's return for that year, is ineligible for the
rebate provided under this Section. Spouses who qualify for a
rebate under this Section and who file a joint return shall be
treated as a single taxpayer for the purposes of the rebate
under this Section. For a part-year resident, the amount of
the rebate under this Section shall be in proportion to the
amount of the taxpayer's income that is attributable to this
State for the taxable year that began on January 1, 2021.
Taxpayers who were non-residents for the taxable year that
began on January 1, 2021 are not entitled to a rebate under
this Section.

(b) Beginning on July 5, 2022, the Department shall
certify to the Comptroller the names of the taxpayers who are
eligible for a one-time rebate under this Section, the amounts
of those rebates, and any other information that the Comptroller requires to direct the payment of the rebates provided under this Section to taxpayers.

(c) If a taxpayer files an amended return indicating that the taxpayer is entitled to a rebate under this Section that the taxpayer did not receive, or indicating that the taxpayer did not receive the full rebate amount to which the taxpayer is entitled, then the rebate shall be processed in the same manner as a claim for refund under Article 9. If the taxpayer files an amended return indicating that the taxpayer received a rebate under this Section to which the taxpayer is not entitled, then the Department shall issue a notice of deficiency as provided in Article 9.

(d) The Department shall make the rebate payments authorized by this Section from the Income Tax Refund Fund.

(e) The amount of a rebate under this Section shall not be included in the taxpayer's income or resources for the purposes of determining eligibility or benefit level in any means-tested benefit program administered by a governmental entity unless required by federal law.

(f) Nothing in this Section prevents a taxpayer from receiving the earned income tax credit and the rebate under this Section for the same taxable year.

(g) Notwithstanding any other law to the contrary, the rebates shall not be subject to offset by the Comptroller against any liability owed either to the State or to any unit
of local government.

(h) The Department shall adopt rules for the implementation of this Section, including emergency rules under Section 5-45.21 of the Illinois Administrative Procedure Act.

(i) This Section is repealed one year after the effective date of this amendatory Act of the 102nd General Assembly.

(35 ILCS 5/901)

Sec. 901. Collection authority.

(a) In general. The Department shall collect the taxes imposed by this Act. The Department shall collect certified past due child support amounts under Section 2505-650 of the Department of Revenue Law of the Civil Administrative Code of Illinois. Except as provided in subsections (b), (c), (e), (f), (g), and (h) of this Section, money collected pursuant to subsections (a) and (b) of Section 201 of this Act shall be paid into the General Revenue Fund in the State treasury; money collected pursuant to subsections (c) and (d) of Section 201 of this Act shall be paid into the Personal Property Tax Replacement Fund, a special fund in the State Treasury; and money collected under Section 2505-650 of the Department of Revenue Law of the Civil Administrative Code of Illinois shall be paid into the Child Support Enforcement Trust Fund, a special fund outside the State Treasury, or to the State Disbursement Unit established under Section 10-26 of the
Illinois Public Aid Code, as directed by the Department of Healthcare and Family Services.

(b) **Local Government Distributive Fund.** Beginning August 1, 2017, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of: (i) 6.06% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 4.95% individual income tax rate after July 1, 2017) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month; (ii) 6.85% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after July 1, 2017) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month; and (iii) beginning February 1, 2022, 6.06% of the net revenue realized from the tax imposed by subsection (p) of Section 201 of this Act upon electing pass-through entities. Net revenue realized for a month shall be defined as the revenue from the tax imposed by subsections (a) and (b) of Section 201 of this Act which is deposited in the General Revenue Fund, the Education Assistance Fund, the Income Tax Surcharge Local Government Distributive Fund, the Fund for the Advancement of Education, and the Commitment to Human Services Fund during the month minus the amount paid out of the General Revenue Fund in State warrants during that same month as
refunds to taxpayers for overpayment of liability under the tax imposed by subsections (a) and (b) of Section 201 of this Act.

Notwithstanding any provision of law to the contrary, beginning on July 6, 2017 (the effective date of Public Act 100-23), those amounts required under this subsection (b) to be transferred by the Treasurer into the Local Government Distributive Fund from the General Revenue Fund shall be directly deposited into the Local Government Distributive Fund as the revenue is realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act.

(c) Deposits Into Income Tax Refund Fund.

(1) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal year 2011, the Annual Percentage shall be 8.75%. For fiscal year 2012, the Annual Percentage shall be 8.75%. For fiscal year 2013, the Annual Percentage shall be 9.75%. For fiscal year 2014, the Annual Percentage shall be 9.5%. For fiscal year 2015, the Annual Percentage shall be 10%. For fiscal year 2018,
the Annual Percentage shall be 9.8%. For fiscal year 2019, the Annual Percentage shall be 9.7%. For fiscal year 2020, the Annual Percentage shall be 9.5%. For fiscal year 2021, the Annual Percentage shall be 9%. For fiscal year 2022, the Annual Percentage shall be 9.25%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, minus the amounts transferred into the Income Tax Refund Fund from the Tobacco Settlement Recovery Fund, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 7.6%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(2) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(6), (7), and
(8), (c) and (d) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal year 2011, the Annual Percentage shall be 17.5%. For fiscal year 2012, the Annual Percentage shall be 17.5%. For fiscal year 2013, the Annual Percentage shall be 14%. For fiscal year 2014, the Annual Percentage shall be 13.4%. For fiscal year 2015, the Annual Percentage shall be 14%. For fiscal year 2018, the Annual Percentage shall be 17.5%. For fiscal year 2019, the Annual Percentage shall be 15.5%. For fiscal year 2020, the Annual Percentage shall be 14.25%. For fiscal year 2021, the Annual Percentage shall be 14%. For fiscal year 2022, the Annual Percentage shall be 15%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(6), (7), and
(8), (c) and (d) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 23%.

The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.


(d) Expenditures from Income Tax Refund Fund.

(1) Beginning January 1, 1989, money in the Income Tax Refund Fund shall be expended exclusively for the purpose of paying refunds resulting from overpayment of tax liability under Section 201 of this Act and for making transfers pursuant to this subsection (d), except that in State fiscal years 2022 and 2023, moneys in the Income Tax Refund Fund shall also be used to pay one-time rebate payments as provided under Sections 208.5 and 212.1.

(2) The Director shall order payment of refunds resulting from overpayment of tax liability under Section 201 of this Act from the Income Tax Refund Fund only to the extent that amounts collected pursuant to Section 201 of this Act and transfers pursuant to this subsection (d) and
item (3) of subsection (c) have been deposited and retained in the Fund.

(3) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the Personal Property Tax Replacement Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year over the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year.

(4) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Personal Property Tax Replacement Fund to the Income Tax Refund Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year over the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year.
(4.5) As soon as possible after the end of fiscal year 1999 and of each fiscal year thereafter, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the General Revenue Fund any surplus remaining in the Income Tax Refund Fund as of the end of such fiscal year; excluding for fiscal years 2000, 2001, and 2002 amounts attributable to transfers under item (3) of subsection (c) less refunds resulting from the earned income tax credit, and excluding for fiscal year 2022 amounts attributable to transfers from the General Revenue Fund authorized by this amendatory Act of the 102nd General Assembly.

(5) This Act shall constitute an irrevocable and continuing appropriation from the Income Tax Refund Fund for the purposes of (i) paying refunds upon the order of the Director in accordance with the provisions of this Section and (ii) paying one-time rebate payments under Sections 208.5 and 212.1.

(e) Deposits into the Education Assistance Fund and the Income Tax Surcharge Local Government Distributive Fund. On July 1, 1991, and thereafter, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 7.3% into the Education Assistance Fund in the State Treasury. Beginning July 1, 1991, and continuing through January 31, 1993, of the amounts collected pursuant to
subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 3.0% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning February 1, 1993 and continuing through June 30, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 4.4% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning July 1, 1993, and continuing through June 30, 1994, of the amounts collected under subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 1.475% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury.

(f) Deposits into the Fund for the Advancement of Education. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, into the Fund for the Advancement of Education:

(1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
(2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of
Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (f) on or after the effective date of the reduction.

(g) Deposits into the Commitment to Human Services Fund. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, into the Commitment to Human Services Fund:

(1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and

(2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (g) on or after the effective date of the reduction.

(h) Deposits into the Tax Compliance and Administration Fund. Beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department, an amount equal to 1/12 of 5% of
the cash receipts collected during the preceding fiscal year
by the Audit Bureau of the Department from the tax imposed by
subsections (a), (b), (c), and (d) of Section 201 of this Act,
et of deposits into the Income Tax Refund Fund made from those
cash receipts.
(Source: P.A. 101-8, see Section 99 for effective date;
101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-636, eff.
6-10-20; 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-658,
eff. 8-27-21; revised 10-19-21.)

ARTICLE 45. MOTOR FUEL

Section 45-3. The State Finance Act is amended by changing
Section 6z-108 as follows:

(30 ILCS 105/6z-108)

Sec. 6z-108. Transportation Renewal Fund.

(a) The Transportation Renewal Fund is created as a
special fund in the State treasury and shall receive Motor
Fuel Tax revenues as directed by Sections 2a and Section 8b of
the Motor Fuel Tax Law.

(b) Money in the Transportation Renewal Fund shall be used
exclusively for transportation-related purposes as described
in Section 11 of Article IX of the Illinois Constitution of
1970.
(Source: P.A. 101-30, eff. 6-28-19.)
Section 45-5. The Motor Fuel Tax Law is amended by changing Sections 2, 8a, and 17 as follows:

(35 ILCS 505/2) (from Ch. 120, par. 418)

Sec. 2. A tax is imposed on the privilege of operating motor vehicles upon the public highways and recreational-type watercraft upon the waters of this State.

(a) Prior to August 1, 1989, the tax is imposed at the rate of 13 cents per gallon on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State. Beginning on August 1, 1989 and until January 1, 1990, the rate of the tax imposed in this paragraph shall be 16 cents per gallon. Beginning January 1, 1990 and until July 1, 2019, the rate of tax imposed in this paragraph, including the tax on compressed natural gas, shall be 19 cents per gallon. Beginning July 1, 2019 and until July 1, 2020, the rate of tax imposed in this paragraph shall be 38 cents per gallon. Beginning July 1, 2020 and until July 1, 2021, the rate of tax imposed in this paragraph shall be 38.7 cents per gallon. Beginning July 1, 2021 and until January 1, 2023, the rate of tax imposed in this paragraph shall be 39.2 cents per gallon. On January 1, 2023, the rate of tax imposed in this paragraph shall be increased by an amount equal to the percentage increase, if any, in the Consumer Price Index for All Urban Consumers for all items.
published by the United States Department of Labor for the 12
months ending in September of 2022. On July 1, 2023, and on
July 1 of each subsequent year, the rate of tax imposed in this
paragraph shall be increased on July 1 of each subsequent
year by an amount equal to the percentage increase, if any, in
the Consumer Price Index for All Urban Consumers for all items
published by the United States Department of Labor for the 12
months ending in March of the year in which the increase takes
place each year. The rate shall be rounded to the nearest
one-tenth of one cent.

(a-5) Beginning on July 1, 2022 and through December 31,
2022, each retailer of motor fuel shall cause the following
notice to be posted in a prominently visible place on each
retail dispensing device that is used to dispense motor fuel
in the State of Illinois: "As of July 1, 2022, the State of
Illinois has suspended the inflation adjustment to the motor
fuel tax through December 31, 2022. The price on this pump
should reflect the suspension of the tax increase." The notice
shall be printed in bold print on a sign that is no smaller
than 4 inches by 8 inches. The sign shall be clearly visible to
customers. Any retailer who fails to post or maintain a
required sign through December 31, 2022 is guilty of a petty
offense for which the fine shall be $500 per day per each
retail premises where a violation occurs.

(b) Until July 1, 2019, the tax on the privilege of
operating motor vehicles which use diesel fuel, liquefied
natural gas, or propane shall be the rate according to paragraph (a) plus an additional 2 1/2 cents per gallon. Beginning July 1, 2019, the tax on the privilege of operating motor vehicles which use diesel fuel, liquefied natural gas, or propane shall be the rate according to subsection (a) plus an additional 7.5 cents per gallon. "Diesel fuel" is defined as any product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark.

(c) A tax is imposed upon the privilege of engaging in the business of selling motor fuel as a retailer or reseller on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State: (1) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 A.M. on January 1, 1990.

Retailers and resellers who are subject to this additional tax shall be required to inventory such motor fuel and pay this additional tax in a manner prescribed by the Department of Revenue.

The tax imposed in this paragraph (c) shall be in addition to all other taxes imposed by the State of Illinois or any unit of local government in this State.

(d) Except as provided in Section 2a, the collection of a
tax based on gallonage of gasoline used for the propulsion of any aircraft is prohibited on and after October 1, 1979, and the collection of a tax based on gallonage of special fuel used for the propulsion of any aircraft is prohibited on and after December 1, 2019.

(e) The collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited (i) on and after July 1, 1992 until December 31, 1999, except when the 1-K kerosene is either: (1) delivered into bulk storage facilities of a bulk user, or (2) delivered directly into the fuel supply tanks of motor vehicles and (ii) on and after January 1, 2000. Beginning on January 1, 2000, the collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited except when the 1-K kerosene is delivered directly into a storage tank that is located at a facility that has withdrawal facilities that are readily accessible to and are capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles. For purposes of this subsection (e), a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles" only if the 1-K kerosene is delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle
or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling.

Any person who sells or uses 1-K kerosene for use in motor vehicles upon which the tax imposed by this Law has not been paid shall be liable for any tax due on the sales or use of 1-K kerosene.

(Source: P.A. 100-9, eff. 7-1-17; 101-10, eff. 6-5-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19.)

(35 ILCS 505/8a) (from Ch. 120, par. 424a)

Sec. 8a. Deposit of proceeds. Until July 1, 2022 and beginning again on July 1, 2023, all money received by the Department under Section 2a of this Act, except money received from taxes on aviation fuel sold or used on or after December 1, 2019 and through December 31, 2020, shall be deposited in the Underground Storage Tank Fund created by Section 57.11 of the Environmental Protection Act, as now or hereafter amended. All money received by the Department under Section 2a of this Act for aviation fuel sold or used on or after December 1, 2019, shall be deposited into the State Aviation Program Fund. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State. For purposes of this Section, "aviation fuel" means jet fuel and aviation gasoline. Beginning on July 1, 2022 and through June 30, 2023, all money
received by the Department under Section 2a shall be deposited
in the Transportation Renewal Fund.
(Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

(35 ILCS 505/17) (from Ch. 120, par. 433)

Sec. 17. It is the purpose of Sections 2 and 13a of this
Act to impose a tax upon the privilege of operating each motor
vehicle as defined in this Act upon the public highways and the
waters of this State, such tax to be based upon the consumption
of motor fuel in such motor vehicle, so far as the same may be
done, under the Constitution and statutes of the United
States, and the Constitution of the State of Illinois. It is
the purpose of Section 2a of this Act to impose a tax upon the
privilege of importing or receiving in this State fuel for
sale or use, such tax to be used to fund the Underground
Storage Tank Fund or the Transportation Renewal Fund. If any
of the provisions of this Act include transactions which are
not taxable or are in any other respect unconstitutional, it
is the intent of the General Assembly that, so far as possible,
the remaining provisions of the Act be given effect.
(Source: P.A. 86-125.)

Section 45-10. The Environmental Impact Fee Law is amended
by changing Section 320 as follows:

(415 ILCS 125/320)
(Section scheduled to be repealed on January 1, 2025)

Sec. 320. Deposit of fee receipts. Except as otherwise provided in this paragraph, all money received by the Department under this Law shall be deposited in the Underground Storage Tank Fund created by Section 57.11 of the Environmental Protection Act. All money received for aviation fuel by the Department under this Law on or after December 1, 2019 and ending with returns due on January 20, 2021, shall be immediately paid over by the Department to the State Aviation Program Fund. The Department shall only pay such moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State. For purposes of this Section, "aviation fuel" means jet fuel and aviation gasoline. Beginning July 1, 2022 and through June 30, 2023, all money received by the Department under this Law shall be deposited into the Transportation Renewal Fund.

(Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

ARTICLE 50. ELECTRIC VEHICLES

Section 50-5. The Reimagining Electric Vehicles in Illinois Act is amended by changing Sections 10 and 20 as follows:

(20 ILCS 686/10)
Sec. 10. Definitions. As used in this Act:

"Advanced battery" means a battery that consists of a battery cell that can be integrated into a module, pack, or system to be used in energy storage applications, including a battery used in an electric vehicle or the electric grid.

"Advanced battery component" means a component of an advanced battery, including materials, enhancements, enclosures, anodes, cathodes, electrolytes, cells, and other associated technologies that comprise an advanced battery.

"Agreement" means the agreement between a taxpayer and the Department under the provisions of Section 45 of this Act.

"Applicant" means a taxpayer that (i) operates a business in Illinois or is planning to locate a business within the State of Illinois and (ii) is engaged in interstate or intrastate commerce for the purpose of manufacturing electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment. "Applicant" does not include a taxpayer who closes or substantially reduces by more than 50% operations at one location in the State and relocates substantially the same operation to another location in the State. This does not prohibit a Taxpayer from expanding its operations at another location in the State. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation, provided that the Department determines that expansion cannot reasonably be
accommodated within the municipality or county in which the business is located, or, in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Battery raw materials" means the raw and processed form of a mineral, metal, chemical, or other material used in an advanced battery component.

"Battery raw materials refining service provider" means a business that operates a facility that filters, sifts, and treats battery raw materials for use in an advanced battery.

"Battery recycling and reuse manufacturer" means a manufacturer that is primarily engaged in the recovery, retrieval, processing, recycling, or recirculating of battery raw materials for new use in electric vehicle batteries.

"Capital improvements" means the purchase, renovation, rehabilitation, or construction of permanent tangible land, buildings, structures, equipment, and furnishings in an approved project sited in Illinois and expenditures for goods or services that are normally capitalized, including organizational costs and research and development costs incurred in Illinois. For land, buildings, structures, and equipment that are leased, the lease must equal or exceed the
term of the agreement, and the cost of the property shall be
determined from the present value, using the corporate
interest rate prevailing at the time of the application, of
the lease payments.

"Credit" means either a "REV Illinois Credit" or a "REV
Construction Jobs Credit" agreed to between the Department and
applicant under this Act.

"Department" means the Department of Commerce and Economic
Opportunity.

"Director" means the Director of Commerce and Economic
Opportunity.

"Electric vehicle" means a vehicle that is exclusively
powered by and refueled by electricity, including electricity
generated through a hydrogen fuel cells or solar technology
must be plugged in to charge or utilize a pre-charged battery,
and is permitted to operate on public roadways. "Electric
vehicle" does not include hybrid electric vehicles, electric
bicycles, or and extended-range electric vehicles that are
also equipped with conventional fueled propulsion or auxiliary
engines.

"Electric vehicle manufacturer" means a new or existing
manufacturer that is primarily focused on reequipping,
expanding, or establishing a manufacturing facility in
Illinois that produces electric vehicles as defined in this
Section.

"Electric vehicle component parts manufacturer" means a
new or existing manufacturer that is primarily focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces advanced battery components or key components that directly support the electric functions of electric vehicles, as defined by this Section.

"Electric vehicle power supply equipment" means the equipment used specifically for the purpose of delivering electricity to an electric vehicle, including hydrogen fuel cells or solar refueling infrastructure.

"Electric vehicle power supply manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces electric vehicle power supply equipment used for the purpose of delivering electricity to an electric vehicle, including hydrogen fuel cell or solar refueling infrastructure.

"Energy Transition Area" means a county with less than 100,000 people or a municipality that contains one or more of the following:

(1) a fossil fuel plant that was retired from service or has significant reduced service within 6 years before the time of the application or will be retired or have service significantly reduced within 6 years following the time of the application; or

(2) a coal mine that was closed or had operations significantly reduced within 6 years before the time of
the application or is anticipated to be closed or have operations significantly reduced within 6 years following the time of the application.

"Full-time employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. An individual for whom a W-2 is issued by a Professional Employer Organization (PEO) is a full-time employee if employed in the service of the applicant for consideration for at least 35 hours each week.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of new employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project that is the subject of an agreement.

"Institution of higher education" or "institution" means any accredited public or private university, college, community college, business, technical, or vocational school, or other accredited educational institution offering degrees and instruction beyond the secondary school level.

"Minority person" means a minority person as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"New employee" means a newly-hired full-time employee employed to work at the project site and whose work is directly
related to the project.

"Noncompliance date" means, in the case of a taxpayer that is not complying with the requirements of the agreement or the provisions of this Act, the day following the last date upon which the taxpayer was in compliance with the requirements of the agreement and the provisions of this Act, as determined by the Director, pursuant to Section 70.

"Pass-through entity" means an entity that is exempt from the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act.

"Placed in service" means the state or condition of readiness, availability for a specifically assigned function, and the facility is constructed and ready to conduct its facility operations to manufacture goods.

"Professional employer organization" (PEO) means an employee leasing company, as defined in Section 206.1 of the Illinois Unemployment Insurance Act.

"Program" means the Reimagining Electric Vehicles in Illinois Program (the REV Illinois Program) established in this Act.

"Project" or "REV Illinois Project" means a for-profit economic development activity for the manufacture of electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment which is designated by the Department as a REV Illinois Project and is the subject of an agreement.
"Recycling facility" means a location at which the taxpayer disposes of batteries and other component parts in manufacturing of electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment.

"Related member" means a person that, with respect to the taxpayer during any portion of the taxable year, is any one of the following:

(1) An individual stockholder, if the stockholder and the members of the stockholder's family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock.

(2) A partnership, estate, trust and any partner or beneficiary, if the partnership, estate, or trust, and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the taxpayer.

(3) A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the Taxpayer owns directly, indirectly, beneficially, or constructively at least 50% of the value of the corporation's outstanding stock.
(4) A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the taxpayer.

(5) A person to or from whom there is an attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a related member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

"Retained employee" means a full-time employee employed by the taxpayer prior to the term of the Agreement who continues to be employed during the term of the agreement whose job duties are directly and substantially related to the project. For purposes of this definition, "directly and substantially related to the project" means at least two-thirds of the employee's job duties must be directly related to the project and the employee must devote at least two-thirds of his or her time to the project. The term "retained employee" does not include any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the taxpayer or a child, grandchild,
parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership of at least 5% in the profits, equity, capital, or value of the taxpayer.

"REV Illinois credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to new employees and, if applicable, retained employees, and on training costs for such employees at the applicant's project.

"REV construction jobs credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to construction wages paid in connection with construction of the project facilities.

"Statewide baseline" means the total number of full-time employees of the applicant and any related member employed by such entities at the time of application for incentives under this Act.

"Taxpayer" means an individual, corporation, partnership, or other entity that has a legal obligation to pay Illinois income taxes and file an Illinois income tax return.

"Training costs" means costs incurred to upgrade the technological skills of full-time employees in Illinois and includes: curriculum development; training materials (including scrap product costs); trainee domestic travel expenses; instructor costs (including wages, fringe benefits,
tuition and domestic travel expenses); rent, purchase or lease
of training equipment; and other usual and customary training
costs. "Training costs" do not include costs associated with
travel outside the United States (unless the Taxpayer receives
prior written approval for the travel by the Director based on
a showing of substantial need or other proof the training is
not reasonably available within the United States), wages and
fringe benefits of employees during periods of training, or
administrative cost related to full-time employees of the
taxpayer.

"Underserved area" means any geographic areas as defined
in Section 5-5 of the Economic Development for a Growing
Economy Tax Credit Act.

(Source: P.A. 102-669, eff. 11-16-21.)
Illinois may request consideration for designation of its project as a REV Illinois Project, by formal written letter of request or by formal application to the Department, in which the applicant states its intent to make at least a specified level of investment and intends to hire a specified number of full-time employees at a designated location in Illinois. As circumstances require, the Department shall require a formal application from an applicant and a formal letter of request for assistance.

(c) In order to qualify for credits under the REV Illinois Program, an Applicant must:

1. for an electric vehicle manufacturer:
   (A) make an investment of at least $1,500,000,000 in capital improvements at the project site;
   (B) to be placed in service within the State within a 60-month period after approval of the application; and
   (C) create at least 500 new full-time employee jobs; or
2. for an electric vehicle component parts manufacturer:
   (A) make an investment of at least $300,000,000 in capital improvements at the project site;
   (B) manufacture one or more parts that are primarily used for electric vehicle manufacturing;
   (C) to be placed in service within the State
within a 60-month period after approval of the application; and

(D) create at least 150 new full-time employee jobs; or

(3) for an electric vehicle manufacturer, an electric vehicle power supply equipment manufacturer, an or electric vehicle component part manufacturer that does not qualify under paragraph (2) above, a battery recycling and reuse manufacturer, or a battery raw materials refining service provider:

(A) make an investment of at least $20,000,000 in capital improvements at the project site;

(B) for electric vehicle component part manufacturers, manufacture one or more parts that are primarily used for electric vehicle manufacturing;

(C) to be placed in service within the State within a 48-month period after approval of the application; and

(D) create at least 50 new full-time employee jobs; or

(4) for an electric vehicle manufacturer or electric vehicle component parts manufacturer with existing operations within Illinois that intends to convert or expand, in whole or in part, the existing facility from traditional manufacturing to primarily electric vehicle manufacturing, electric vehicle component parts
manufacturing, or electric vehicle power supply equipment manufacturing:

(A) make an investment of at least $100,000,000 in capital improvements at the project site;
(B) to be placed in service within the State within a 60-month period after approval of the application; and
(C) create the lesser of 75 new full-time employee jobs or new full-time employee jobs equivalent to 10% of the Statewide baseline applicable to the taxpayer and any related member at the time of application.

(d) For agreements entered into prior to the effective date of this amendatory Act of the 102nd General Assembly, for any applicant creating the full-time employee jobs noted in subsection (c), those jobs must have a total compensation equal to or greater than 120% of the average wage paid to full-time employees in the county where the project is located, as determined by the U.S. Bureau of Labor Statistics. For agreements entered into on or after the effective date of this amendatory Act of the 102nd General Assembly, for any applicant creating the full-time employee jobs noted in subsection (c), those jobs must have a compensation equal to or greater than 120% of the average wage paid to full-time employees in a similar position within an occupational group in the county where the project is located, as determined by the U.S. Bureau of Labor Statistics.
(e) For any applicant, within 24 months after being placed in service, it must certify to the Department that it is carbon neutral or has attained certification under one of more of the following green building standards:

1. BREEAM for New Construction or BREEAM In-Use;
2. ENERGY STAR;
3. Envision;
4. ISO 50001 - energy management;
5. LEED for Building Design and Construction or LEED for Building Operations and Maintenance;
6. Green Globes for New Construction or Green Globes for Existing Buildings; or
7. UL 3223.

(f) Each applicant must outline its hiring plan and commitment to recruit and hire full-time employee positions at the project site. The hiring plan may include a partnership with an institution of higher education to provide internships, including, but not limited to, internships supported by the Clean Jobs Workforce Network Program, or full-time permanent employment for students at the project site. Additionally, the applicant may create or utilize participants from apprenticeship programs that are approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. The Applicant may apply for apprenticeship education expense credits in accordance with the provisions set forth in 14 Ill. Admin. Code 522. Each
applicant is required to report annually, on or before April 15, on the diversity of its workforce in accordance with Section 50 of this Act. For existing facilities of applicants under paragraph (3) of subsection (b) above, if the taxpayer expects a reduction in force due to its transition to manufacturing electric vehicle, electric vehicle component parts, or electric vehicle power supply equipment, the plan submitted under this Section must outline the taxpayer's plan to assist with retraining its workforce aligned with the taxpayer's adoption of new technologies and anticipated efforts to retrain employees through employment opportunities within the taxpayer's workforce.

(g) Each applicant must demonstrate a contractual or other relationship with a recycling facility, or demonstrate its own recycling capabilities, at the time of application and report annually a continuing contractual or other relationship with a recycling facility and the percentage of batteries used in electric vehicles recycled throughout the term of the agreement.

(h) A taxpayer may not enter into more than one agreement under this Act with respect to a single address or location for the same period of time. Also, a taxpayer may not enter into an agreement under this Act with respect to a single address or location for the same period of time for which the taxpayer currently holds an active agreement under the Economic Development for a Growing Economy Tax Credit Act. This
provision does not preclude the applicant from entering into an additional agreement after the expiration or voluntary termination of an earlier agreement under this Act or under the Economic Development for a Growing Economy Tax Credit Act to the extent that the taxpayer's application otherwise satisfies the terms and conditions of this Act and is approved by the Department. An applicant with an existing agreement under the Economic Development for a Growing Economy Tax Credit Act may submit an application for an agreement under this Act after it terminates any existing agreement under the Economic Development for a Growing Economy Tax Credit Act with respect to the same address or location. (Source: P.A. 102-669, eff. 11-16-21.)

ARTICLE 55. EARNED INCOME TAX CREDIT

Section 55-5. The Illinois Income Tax Act is amended by changing Section 212 as follows:

(35 ILCS 5/212)

Sec. 212. Earned income tax credit.

(a) With respect to the federal earned income tax credit allowed for the taxable year under Section 32 of the federal Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to (i) 5% of the
federal tax credit for each taxable year beginning on or after January 1, 2000 and ending prior to December 31, 2012, (ii) 7.5% of the federal tax credit for each taxable year beginning on or after January 1, 2012 and ending prior to December 31, 2013, (iii) 10% of the federal tax credit for each taxable year beginning on or after January 1, 2013 and beginning prior to January 1, 2017, (iv) 14% of the federal tax credit for each taxable year beginning on or after January 1, 2017 and beginning prior to January 1, 2018, and (v) 18% of the federal tax credit for each taxable year beginning on or after January 1, 2018 and beginning prior to January 1, 2023, and (vi) 20% of the federal tax credit for each taxable year beginning on or after January 1, 2023.

For a non-resident or part-year resident, the amount of the credit under this Section shall be in proportion to the amount of income attributable to this State.

(b) For taxable years beginning before January 1, 2003, in no event shall a credit under this Section reduce the taxpayer's liability to less than zero. For each taxable year beginning on or after January 1, 2003, if the amount of the credit exceeds the income tax liability for the applicable tax year, then the excess credit shall be refunded to the taxpayer. The amount of a refund shall not be included in the taxpayer's income or resources for the purposes of determining eligibility or benefit level in any means-tested benefit program administered by a governmental entity unless required
by federal law.

(b-5) For taxable years beginning on or after January 1, 2023, each individual taxpayer who has attained the age of 18 during the taxable year but has not yet attained the age of 25 is entitled to the credit under paragraph (a) based on the federal tax credit for which the taxpayer would have been eligible without regard to any age requirements that would otherwise apply to individuals without a qualifying child in Section 32(c)(1)(A)(ii) of the federal Internal Revenue Code.

(b-10) For taxable years beginning on or after January 1, 2023, each individual taxpayer who has attained the age of 65 or older during the taxable year is entitled to the credit under paragraph (a) based on the federal tax credit for which the taxpayer would have been eligible without regard to any age requirements that would otherwise apply to individuals without a qualifying child in Section 32(c)(1)(A)(ii) of the federal Internal Revenue Code.

(b-15) For taxable years beginning on or after January 1, 2023, each individual taxpayer filing a return using an individual taxpayer identification number (ITIN) as prescribed under Section 6109 of the Internal Revenue Code, other than a Social Security number issued pursuant to Section 205(c)(2)(A) of the Social Security Act, is entitled to the credit under paragraph (a) based on the federal tax credit for which they would have been eligible without applying the restrictions regarding social security numbers in Section 32(m) of the
(c) This Section is exempt from the provisions of Section 250.

(Source: P.A. 100-22, eff. 7-6-17.)

ARTICLE 60. GROCERIES

Section 60-5. The State Finance Act is amended by adding Section 5.971 as follows:

(30 ILCS 105/5.971 new)

Sec. 5.971. The Grocery Tax Replacement Fund. This Section is repealed January 1, 2024.

Section 60-10. The State Finance Act is amended by changing Sections 6z-17 and 6z-18 and by adding Section 6z-130 as follows:

(30 ILCS 105/6z-17) (from Ch. 127, par. 142z-17)

Sec. 6z-17. State and Local Sales Tax Reform Fund.

(a) After deducting the amount transferred to the Tax Compliance and Administration Fund under subsection (b), of the money paid into the State and Local Sales Tax Reform Fund:

(i) subject to appropriation to the Department of Revenue, Municipalities having 1,000,000 or more inhabitants shall receive 20% and may expend such amount to fund and establish a
program for developing and coordinating public and private resources targeted to meet the affordable housing needs of low-income and very low-income households within such municipality, (ii) 10% shall be transferred into the Regional Transportation Authority Occupation and Use Tax Replacement Fund, a special fund in the State treasury which is hereby created, (iii) until July 1, 2013, subject to appropriation to the Department of Transportation, the Madison County Mass Transit District shall receive .6%, and beginning on July 1, 2013, subject to appropriation to the Department of Revenue, 0.6% shall be distributed each month out of the Fund to the Madison County Mass Transit District, (iv) the following amounts, plus any cumulative deficiency in such transfers for prior months, shall be transferred monthly into the Build Illinois Fund and credited to the Build Illinois Bond Account therein:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>1991</td>
<td>1,850,000</td>
</tr>
<tr>
<td>1992</td>
<td>2,750,000</td>
</tr>
<tr>
<td>1993</td>
<td>2,950,000</td>
</tr>
</tbody>
</table>

From Fiscal Year 1994 through Fiscal Year 2025 the transfer shall total $3,150,000 monthly, plus any cumulative deficiency in such transfers for prior months, and (v) the remainder of the money paid into the State and Local Sales Tax Reform Fund shall be transferred into the Local Government
Distributive Fund and, except for municipalities with 1,000,000 or more inhabitants which shall receive no portion of such remainder, shall be distributed, subject to appropriation, in the manner provided by Section 2 of "An Act in relation to State revenue sharing with local government entities", approved July 31, 1969, as now or hereafter amended. Municipalities with more than 50,000 inhabitants according to the 1980 U.S. Census and located within the Metro East Mass Transit District receiving funds pursuant to provision (v) of this paragraph may expend such amounts to fund and establish a program for developing and coordinating public and private resources targeted to meet the affordable housing needs of low-income and very low-income households within such municipality.

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

(b) Beginning on the first day of the first calendar month to occur on or after the effective date of this amendatory Act of the 98th General Assembly, each month the Department of Revenue shall certify to the State Comptroller and the State Treasurer, and the State Comptroller shall order transferred and the State Treasurer shall transfer from the State and Local Sales Tax Reform Fund to the Tax Compliance and
Administration Fund, an amount equal to $\frac{1}{12}$ of 5\% of 20\% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department of Revenue under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department. The amount distributed under subsection (a) each month shall first be reduced by the amount transferred to the Tax Compliance and Administration Fund under this subsection (b). Moneys transferred to the Tax Compliance and Administration Fund under this subsection (b) shall be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue.

(Source: P.A. 98-44, eff. 6-28-13; 98-1098, eff. 8-26-14.)

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

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

Moneys transferred from the Grocery Tax Replacement Fund
to the Local Government Tax Fund under Section 6z-130 shall be
treated under this Section in the same manner as if they had
been remitted with the return on which they were reported.
A portion of the money paid into the Local Government Tax
Fund from the 6.25% general use tax rate on the selling price
of tangible personal property which is purchased outside
Illinois at retail from a retailer and which is titled or
registered by any agency of this State's government shall be
distributed to municipalities as provided in this paragraph.
Each municipality shall receive the amount attributable to
sales for which Illinois addresses for titling or registration
purposes are given as being in such municipality. The
remainder of the money paid into the Local Government Tax Fund
from such sales shall be distributed to counties. Each county
shall receive the amount attributable to sales for which
Illinois addresses for titling or registration purposes are
given as being located in the unincorporated area of such
county.
A portion of the money paid into the Local Government Tax
Fund from the 6.25% general rate (and, beginning July 1, 2000
and through December 31, 2000, the 1.25% rate on motor fuel and
gasohol, and beginning on August 6, 2010 through August 15,
2010, the 1.25% rate on sales tax holiday items) on sales
subject to taxation under the Retailers' Occupation Tax Act
and the Service Occupation Tax Act, which occurred in
municipalities, shall be distributed to each municipality,
based upon the sales which occurred in that municipality. The remainder shall be distributed to each county, based upon the sales which occurred in the unincorporated area of such county.

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

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

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

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

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

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

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

As soon as possible after the effective date of this
amendatory Act of the 98th General Assembly, the State
Comptroller shall order and the State Treasurer shall transfer
$6,600,000 from the Local Government Tax Fund to the Illinois
State Medical Disciplinary Fund.
(Source: P.A. 100-1171, eff. 1-4-19.)

(30 ILCS 105/6z-130 new)

Sec. 6z-130. Grocery Tax Replacement Fund.

(a) The Grocery Tax Replacement Fund is hereby created as
a special fund in the State Treasury.

(b) On the effective date of this amendatory Act of the
102nd General Assembly, or as soon thereafter as practical,
but no later than June 30, 2022, the State Comptroller shall
direct and the State Treasurer shall transfer the sum of
$325,000,000 from the General Revenue Fund to the Grocery Tax
Replacement Fund.

(c) On July 1, 2022, or as soon thereafter as practical,
the State Comptroller shall direct and the State Treasurer
shall transfer the sum of $75,000,000 from the General Revenue
Fund to the Grocery Tax Replacement Fund.

(d) In addition to any other transfers that may be
provided for by law, beginning on the effective date of this
amendatory Act of the 102nd General Assembly and until
November 30, 2023, the Director may certify additional transfer amounts needed beyond the amounts specified in subsections (b) and (c) to cover any additional amounts needed to equal the net revenue that, but for the reduction of the rate to 0% in the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act under this amendatory Act of the 102nd General Assembly, would have been realized if the items that are subject to the rate reduction had been taxed at the 1% rate during the period of the reduction. The State Comptroller shall direct and the State Treasurer shall transfer the amounts certified by the Director from the General Revenue Fund to the Grocery Tax Replacement Fund.

(e) In addition to any other transfers that may be provided for by law, beginning on July 1, 2022 and until December 1, 2023, at the direction of the Department of Revenue, the State Comptroller shall direct and the State Treasurer shall transfer from the Grocery Tax Replacement Fund to the State and Local Sales Tax Reform Fund any amounts needed to equal the net revenue that, but for the reduction of the rate to 0% in the Use Tax Act and Service Use Tax Act under this amendatory Act of the 102nd General Assembly, would have been deposited into the State and Local Sales Tax Reform Fund if the items that are subject to the rate reduction had been taxed at the 1% rate during the period of the reduction.

(f) In addition to any other transfers that may be
provided for by law, beginning on July 1, 2022 and until December 1, 2023, at the direction of the Department of Revenue, the State Comptroller shall direct and the State Treasurer shall transfer from the Grocery Tax Replacement Fund to the Local Government Tax Fund any amounts needed to equal the net revenue that, but for the reduction of the rate to 0% in the Service Occupation Tax Act and the Retailers' Occupation Tax Act under this amendatory Act of the 102nd General Assembly, would have been deposited into the Local Government Tax Fund if the items that are subject to the rate reduction had been taxed at the 1% rate during the period of the reduction.

(g) The State Comptroller shall direct and the State Treasurer shall transfer the remaining balance in the Grocery Tax Replacement Fund to the General Revenue Fund on December 1, 2023, or as soon thereafter as practical. Upon completion of the transfer, the Grocery Tax Replacement Fund is dissolved.

(h) This Section is repealed on January 1, 2024.

Section 60-15. The Use Tax Act is amended by changing Sections 3-10, 3a, and 9 as follows:

(35 ILCS 105/3-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of
either the selling price or the fair market value, if any, of the tangible personal property. In all cases where property functionally used or consumed is the same as the property that was purchased at retail, then the tax is imposed on the selling price of the property. In all cases where property functionally used or consumed is a by-product or waste product that has been refined, manufactured, or produced from property purchased at retail, then the tax is imposed on the lower of the fair market value, if any, of the specific property so used in this State or on the selling price of the property purchased at retail. For purposes of this Section "fair market value" means the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. The fair market value shall be established by Illinois sales by the taxpayer of the same property as that functionally used or consumed, or if there are no such sales by the taxpayer, then comparable sales or purchases of property of like kind and character in Illinois.

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

Beginning on August 6, 2010 through August 15, 2010, with respect to sales tax holiday items as defined in Section 3-6 of this Act, the tax is imposed at the rate of 1.25%.
With respect to gasohol, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or before July 1, 2017, and (iii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of gasohol is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

With respect to biodiesel blends with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel and biodiesel blends with more than 10% but no more than 99% biodiesel, the tax imposed
by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

Until July 1, 2022 and beginning again on July 1, 2023, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption), the tax is imposed at the rate of 1%. Beginning on July 1, 2022 and until July 1, 2023, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption), the tax is imposed at the rate of 0%.

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

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

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

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

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

(A) A "Drug Facts" panel; or

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

Beginning on the effective date of this amendatory Act of the 98th General Assembly, "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.

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

If the property that is purchased at retail from a retailer is acquired outside Illinois and used outside Illinois before being brought to Illinois for use here and is taxable under this Act, the "selling price" on which the tax is computed shall be reduced by an amount that represents a reasonable allowance for depreciation for the period of prior out-of-state use.

(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19; 102-4, eff. 4-27-21.)

(35 ILCS 105/3a) (from Ch. 120, par. 439.3a)

Sec. 3a. The tax imposed by the Act shall when collected be stated as a distinct item separate and apart from the selling price of the tangible personal property. However, where it is
not possible to state the sales tax separately in situations such as sales from vending machines or sales of liquor by the drink the Department may by rule exempt such sales from this requirement so long as purchasers are notified by a sign that the tax is included in the selling price.

In addition, retailers who sell items that would have been taxed at the 1% rate but for the 0% rate imposed under this amendatory Act of the 102nd General Assembly shall, to the extent feasible, include the following statement on any cash register tape, receipt, invoice, or sales ticket issued to customers: "From July 1, 2022 through July 1, 2023, the State of Illinois sales tax on groceries is 0%." If it is not feasible for the retailer to include the statement on any cash register tape, receipt, invoice, or sales ticket issued to customers, then the retailer shall post the statement on a sign that is clearly visible to customers. The sign shall be no smaller than 4 inches by 8 inches.

(Source: P.A. 84-229.)

(35 ILCS 105/9) (from Ch. 120, par. 439.9)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during
which such tax was collected, less a discount of 2.1% prior to
January 1, 1990, and 1.75% on and after January 1, 1990, or $5
per calendar year, whichever is greater, which is allowed to
reimburse the retailer for expenses incurred in collecting the
tax, keeping records, preparing and filing returns, remitting
the tax and supplying data to the Department on request. The
discount under this Section is not allowed for the 1.25%
portion of taxes paid on aviation fuel that is subject to the
revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
47133. When determining the discount allowed under this
Section, retailers shall include the amount of tax that would
have been due at the 1% rate but for the 0% rate imposed under
this amendatory Act of the 102nd General Assembly. In the case
of retailers who report and pay the tax on a transaction by
transaction basis, as provided in this Section, such discount
shall be taken with each such tax remittance instead of when
such retailer files his periodic return. The discount allowed
under this Section is allowed only for returns that are filed
in the manner required by this Act. The Department may
disallow the discount for retailers whose certificate of
registration is revoked at the time the return is filed, but
only if the Department's decision to revoke the certificate of
registration has become final. A retailer need not remit that
part of any tax collected by him to the extent that he is
required to remit and does remit the tax imposed by the
Retailers' Occupation Tax Act, with respect to the sale of the
same property.

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

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require. The return shall include the gross receipts on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption) which were received during the preceding calendar month, quarter, or year, as appropriate, and upon which tax would have been due but for the 0% rate imposed under this amendatory Act of the 102nd General Assembly. The return shall also include the amount of tax that would have been due on food for
human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption) but for the 0% rate imposed under this amendatory Act of the 102nd General Assembly.

On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average $20,000 or more, all returns required to be filed pursuant to this Act 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.

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

1. The name of the seller;

2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;

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

5. The amount of tax due;

5-5. The signature of the taxpayer; and

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

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

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

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

Beginning October 1, 1993, a taxpayer who has an average
monthly tax liability of $150,000 or more shall make all
payments required by rules of the Department by electronic
funds transfer. Beginning October 1, 1994, a taxpayer who has
an average monthly tax liability of $100,000 or more shall
make all payments required by rules of the Department by
electronic funds transfer. Beginning October 1, 1995, a
taxpayer who has an average monthly tax liability of $50,000
or more shall make all payments required by rules of the
Department by electronic funds transfer. Beginning October 1,
2000, a taxpayer who has an annual tax liability of $200,000 or
more shall make all payments required by rules of the
Department by electronic funds transfer. The term "annual tax
liability" shall be the sum of the taxpayer's liabilities
under this Act, and under all other State and local occupation
and use tax laws administered by the Department, for the
immediately preceding calendar year. The term "average monthly
tax liability" means the sum of the taxpayer's liabilities
under this Act, and under all other State and local occupation
and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning
on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was $10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the
Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was $20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same
calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than $9,000, or until such
taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than $10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the $10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than $19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than $20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the $20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not
likely to be long term. Quarter monthly payment status shall be determined under this paragraph as if the rate reduction to 0% in this amendatory Act of the 102nd General Assembly on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption) had not occurred. For quarter monthly payments due under this paragraph on or after July 1, 2023 and through June 30, 2024, "25% of the taxpayer's liability for the same calendar month of the preceding year" shall be determined as if the rate reduction to 0% in this amendatory Act of the 102nd General Assembly had not occurred. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers'
the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

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

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

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

Notwithstanding any other provision in this Act concerning
the time within which a retailer may file his return, in the
case of any retailer who ceases to engage in a kind of business
which makes him responsible for filing returns under this Act,
such retailer shall file a final return under this Act with the
Department not more than one month after discontinuing such
business.
In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) 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 (ii) 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 a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

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

The transaction reporting return in the case of motor
vehicles or trailers that are required to be registered with
an agency of this State, shall be the same document as the
Uniform Invoice referred to in Section 5-402 of the Illinois
Vehicle Code and 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, to the
extent to which Section 2 of this Act allows an exemption for
the value of traded-in property; 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 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; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft 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, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; 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 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.

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 he chooses to do so. The transaction reporting
return and tax remittance or proof of exemption from the tax
that is imposed by this Act 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 titling or registration is required)
if the Department and such agency or State officer determine
that this procedure will expedite the processing of
applications for title or registration.

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

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

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 his 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 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he 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.

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

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

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

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

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

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

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

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

Beginning August 1, 2000, each month the Department shall
pay into the State and Local Sales Tax Reform Fund 100% of the
net revenue realized for the preceding month from the 1.25%
rate on the selling price of motor fuel and gasohol. Beginning
September 1, 2010, each month the Department shall pay into
the State and Local Sales Tax Reform Fund 100% of the net
revenue realized for the preceding month from the 1.25% rate
on the selling price of sales tax holiday items.

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

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

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

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

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

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called...
the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture
securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited
into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

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

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<th>Total Deposit</th>
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<tr>
<td>2024</td>
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<tr>
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<tr>
<td>2027</td>
<td>375,000,000</td>
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<tr>
<td>2028</td>
<td>375,000,000</td>
</tr>
</tbody>
</table>
and

each fiscal year

thereafter that bonds

are outstanding under

Section 13.2 of the

Metropolitan Pier and

Exposition Authority Act,

but not after fiscal year 2060.

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

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

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

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the
preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

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

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

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Deposit</th>
</tr>
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<td>$200,000,000</td>
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<td>2041</td>
<td>$419,600,000</td>
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</table>
Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount
estimated to represent 48% of the net revenue realized from
the taxes imposed on motor fuel and gasohol. Beginning July 1,
2024 and until July 1, 2025, subject to the payment of amounts
into the State and Local Sales Tax Reform Fund, the Build
Illinois Fund, the McCormick Place Expansion Project Fund, the
Illinois Tax Increment Fund, the Energy Infrastructure Fund,
and the Tax Compliance and Administration Fund as provided in
this Section, the Department shall pay each month into the
Road Fund the amount estimated to represent 64% of the net
revenue realized from the taxes imposed on motor fuel and
gasohol. Beginning on July 1, 2025, subject to the payment of
amounts into the State and Local Sales Tax Reform Fund, the
Build Illinois Fund, the McCormick Place Expansion Project
Fund, the Illinois Tax Increment Fund, the Energy
Infrastructure Fund, and the Tax Compliance and Administration
Fund as provided in this Section, the Department shall pay
each month into the Road Fund the amount estimated to
represent 80% of the net revenue realized from the taxes
imposed on motor fuel and gasohol. As used in this paragraph
"motor fuel" has the meaning given to that term in Section 1.1
of the Motor Fuel Tax Law Act, and "gasohol" has the meaning
given to that term in Section 3-40 of this Act.

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

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

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

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

(Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)
Section 60-20. The Service Use Tax Act is amended by changing Sections 3-10 and 9 as follows:

(35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)
Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of the selling price of tangible personal property transferred as an incident to the sale of service, but, for the purpose of computing this tax, in no event shall the selling price be less than the cost price of the property to the serviceman.

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

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act applies to (i) 70% of the selling price of property transferred as an incident to the sale of service on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before July 1, 2017, and (iii) 100% of the selling price thereafter. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, as defined
in the Use Tax Act, the tax imposed by this Act does not apply to the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of the selling price thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

At the election of any registered serviceman made for each fiscal year, sales of service in which the aggregate annual
cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred as an incident to the sale of those services.

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

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

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

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

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

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

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

(A) A "Drug Facts" panel; or
(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

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

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

If the property that is acquired from a serviceman is acquired outside Illinois and used outside Illinois before being brought to Illinois for use here and is taxable under this Act, the "selling price" on which the tax is computed shall be reduced by an amount that represents a reasonable allowance for depreciation for the period of prior out-of-state use.

(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19; 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

(35 ILCS 110/9) (from Ch. 120, par. 439.39)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount
of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or $5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. When determining the discount allowed under this Section, servicemen shall include the amount of tax that would have been due at the 1% rate but for the 0% rate imposed under this amendatory Act of the 102nd General Assembly. The discount under this Section is not allowed for the 1.25% portion of taxes paid on aviation fuel that is subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.
Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. The return shall include the gross receipts which were received during the preceding calendar month or quarter on the following items upon which tax would have been due but for the 0% rate imposed under this amendatory Act of the 102nd General Assembly: (i) food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption); and (ii) food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act. The return shall also include the amount of tax that would have been due on the items listed in the previous sentence but for the 0% rate imposed under this
amendatory Act of the 102nd General Assembly.

On and after January 1, 2018, with respect to servicemen whose annual gross receipts average $20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen 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.

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

1. The name of the seller;

2. The address of the principal place of business from which he engages in business as a serviceman in this State;

3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;

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

5. The amount of tax due;
5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Each serviceman required or authorized to collect the tax imposed by this Act on aviation fuel transferred as an incident of a sale of service in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, report and pay such tax on a separate aviation fuel tax return. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, servicemen collecting tax on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this Section, "aviation fuel" means jet fuel and aviation gasoline.

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

Notwithstanding any other provision of this Act to the contrary, servicemen subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.
Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of $150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of $100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of $50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of $200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

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

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

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

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

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department,
as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

Any serviceman filing a return hereunder shall also include the total tax upon the selling price of tangible personal property purchased for use by him as an incident to a sale of service, and such serviceman shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Service Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registration hereunder, such serviceman shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

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

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

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25%
rate on the selling price of motor fuel and gasohol.

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

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

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

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from
the State and Local Sales Tax Reform Fund shall have been less
than 1/12 of the Annual Specified Amount, an amount equal to
the difference shall be immediately paid into the Build
Illinois Fund from other moneys received by the Department
pursuant to the Tax Acts; and, further provided, that in no
event shall the payments required under the preceding proviso
result in aggregate payments into the Build Illinois Fund
pursuant to this clause (b) for any fiscal year in excess of
the greater of (i) the Tax Act Amount or (ii) the Annual
Specified Amount for such fiscal year; and, further provided,
that the amounts payable into the Build Illinois Fund under
this clause (b) shall be payable only until such time as the
aggregate amount on deposit under each trust indenture
securing Bonds issued and outstanding pursuant to the Build
Illinois Bond Act is sufficient, taking into account any
future investment income, to fully provide, in accordance with
such indenture, for the defeasance of or the payment of the
principal of, premium, if any, and interest on the Bonds
secured by such indenture and on any Bonds expected to be
issued thereafter and all fees and costs payable with respect
thereto, all as certified by the Director of the Bureau of the
Budget (now Governor's Office of Management and Budget). If on
the last business day of any month in which Bonds are
outstanding pursuant to the Build Illinois Bond Act, the
aggregate of the moneys deposited in the Build Illinois Bond
Account in the Build Illinois Fund in such month shall be less
than the amount required to be transferred in such month from
the Build Illinois Bond Account to the Build Illinois Bond
Retirement and Interest Fund pursuant to Section 13 of the
Build Illinois Bond Act, an amount equal to such deficiency
shall be immediately paid from other moneys received by the
Department pursuant to the Tax Acts to the Build Illinois
Fund; provided, however, that any amounts paid to the Build
Illinois Fund in any fiscal year pursuant to this sentence
shall be deemed to constitute payments pursuant to clause (b)
of the preceding sentence and shall reduce the amount
otherwise payable for such fiscal year pursuant to clause (b)
of the preceding sentence. The moneys received by the
Department pursuant to this Act and required to be deposited
into the Build Illinois Fund are subject to the pledge, claim
and charge set forth in Section 12 of the Build Illinois Bond
Act.

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

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2015 179,000,000
2016 189,000,000
2017 199,000,000
2018 210,000,000
2019 221,000,000
2020 233,000,000
2021 300,000,000
2022 300,000,000
2023 300,000,000
2024 300,000,000
2025 300,000,000
2026 300,000,000
2027 375,000,000
2028 375,000,000
2029 375,000,000
2030 375,000,000
2031 375,000,000
2032 375,000,000
2033 375,000,000
2034 375,000,000
2035 375,000,000
2036 450,000,000

and each fiscal year thereafter that bonds are outstanding under
Section 13.2 of the Metropolitan Pier and Exposition Authority Act,
but not after fiscal year 2060.

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

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

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

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

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

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.
Subject to successful execution and delivery of a public-private agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim, and charge set forth in Section 25-55 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

As used in this paragraph, "civic build", "private entity", "public-private agreement", and "public agency" have the meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Deposit</th>
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<tbody>
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Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts
into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the
Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Law Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax Act.

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

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

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount
paid out during that month as refunds to taxpayers for overpayment of liability.
(Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article 15, Section 15-15, eff. 6-5-19; 101-10, Article 25, Section 25-110, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

Section 60-25. The Service Occupation Tax Act is amended by changing Sections 3-10 and 9 as follows:

(35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of the "selling price", as defined in Section 2 of the Service Use Tax Act, of the tangible personal property. For the purpose of computing this tax, in no event shall the "selling price" be less than the cost price to the serviceman of the tangible personal property transferred. The selling price of each item of tangible personal property transferred as an incident of a sale of service may be shown as a distinct and separate item on the serviceman's billing to the service customer. If the selling price is not so shown, the selling price of the tangible personal property is deemed to be 50% of the serviceman's entire billing to the service customer. When, however, a serviceman contracts to design, develop, and
produce special order machinery or equipment, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred incident to the completion of the contract.

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

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act shall apply to (i) 70% of the cost price of property transferred as an incident to the sale of service on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before July 1, 2017, and (iii) 100% of the cost price thereafter. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

With respect to biodiesel blends, as defined in the Use
Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of the selling price thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel material, the tax imposed by this Act does not apply to the proceeds of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

At the election of any registered serviceman made for each fiscal year, sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of
service, the tax imposed by this Act shall be based on the servicer's cost price of the tangible personal property transferred incident to the sale of those services.

Until July 1, 2022 and beginning again on July 1, 2023, the tax shall be imposed at the rate of 1% on food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Use Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act. Until July 1, 2022 and beginning again on July 1, 2023, the tax shall also be imposed at the rate of 1% on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption and is not otherwise included in this paragraph).

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

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

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

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

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

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

(A) A "Drug Facts" panel; or

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

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

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

(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19; 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

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

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or $5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. When determining the discount allowed under this Section, servicemen shall include the amount of tax that would have been due at the 1% rate but for the 0% rate imposed under this amendatory Act of the 102nd General Assembly. The discount under this Section is not allowed for the 1.25% portion of taxes paid on aviation fuel
that is subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

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

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

On and after January 1, 2018, with respect to servicemen
whose annual gross receipts average $20,000 or more, all
returns required to be filed pursuant to this Act shall be
filed electronically. Servicemen 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.

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

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

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

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

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

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

If the serviceman's average monthly tax liability to the Department does not exceed $50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.
Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of $150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of $100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of $50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of $200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the
immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

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

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, the Use Tax Act or the Service Use Tax Act, to furnish all the return information required by all said Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registrations hereunder, such serviceman shall file separate returns for each registered business.
Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate on sales of tangible personal property other than aviation fuel sold on or after December 1, 2019. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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

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

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

Beginning August 1, 2000, each month the Department shall
pay into the Local Government Tax Fund 80% of the net revenue
realized for the preceding month from the 1.25% rate on the
selling price of motor fuel and gasohol.

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

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

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

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build
Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim
and charge set forth in Section 12 of the Build Illinois Bond Act.

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

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2035 375,000,000
2036 450,000,000

and each fiscal year thereafter that bonds are outstanding under Section 13.2 of the Metropolitan Pier and Exposition Authority Act, but not after fiscal year 2060.

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

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

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

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter
enacted, beginning with the receipt of the first report of
taxes paid by an eligible business and continuing for a
25-year period, the Department shall each month pay into the
Energy Infrastructure Fund 80% of the net revenue realized
from the 6.25% general rate on the selling price of
Illinois-mined coal that was sold to an eligible business. For
purposes of this paragraph, the term "eligible business" means
a new electric generating facility certified pursuant to
Section 605-332 of the Department of Commerce and Economic

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

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

Subject to successful execution and delivery of a public-private agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim and
As used in this paragraph, "civic build", "private entity", "public-private agreement", and "public agency" have the meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

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<th>Fiscal Year</th>
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Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol.
Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Law Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax Act.

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

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly
or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

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

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

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

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

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

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

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

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

(Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article 15, Section 15-20, eff. 6-5-19; 101-10, Article 25, Section 25-115, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)
Section 60-30. The Retailers' Occupation Tax Act is amended by changing Sections 2-10 and 3 as follows:

(35 ILCS 120/2-10)

Sec. 2-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of gross receipts from sales of tangible personal property made in the course of business.

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

Beginning on August 6, 2010 through August 15, 2010, with respect to sales tax holiday items as defined in Section 2-8 of this Act, the tax is imposed at the rate of 1.25%.

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

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or before July 1, 2017, and (iii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with
no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

Until July 1, 2022 and beginning again on July 1, 2023, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption), the tax is imposed at the rate of 1%. Beginning July 1, 2022 and until July 1, 2023, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption), the tax is imposed at the rate of 0%.

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

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

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

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

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

(A) A "Drug Facts" panel; or

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

Beginning on the effective date of this amendatory Act of the 98th General Assembly, "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.

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

(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19; 102-4, eff. 4-27-21.)

(35 ILCS 120/3) (from Ch. 120, par. 442)

Sec. 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at
retail in this State during the preceding calendar month shall
file a return with the Department, stating:

1. The name of the seller;

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

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

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

5. Deductions allowed by law;

6. Gross receipts which were received by him during
   the preceding calendar month or quarter and upon the basis
   of which the tax is imposed, including gross receipts on
   food for human consumption that is to be consumed off the
   premises where it is sold (other than alcoholic beverages,
   food consisting of or infused with adult use cannabis,
   soft drinks, and food that has been prepared for immediate
consumption) which were received during the preceding
calendar month or quarter and upon which tax would have
been due but for the 0% rate imposed under this amendatory
Act of the 102nd General Assembly;

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

8. The amount of tax due, including the amount of tax
that would have been due on food for human consumption
that is to be consumed off the premises where it is sold
(other than alcoholic beverages, food consisting of or
infused with adult use cannabis, soft drinks, and food
that has been prepared for immediate consumption) but for
the 0% rate imposed under this amendatory Act of the 102nd
General Assembly;

9. The signature of the taxpayer; and

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

On and after January 1, 2018, except for returns for motor
vehicles, watercraft, aircraft, and trailers that are required
to be registered with an agency of this State, with respect to
retailers whose annual gross receipts average $20,000 or more,
all returns required to be filed pursuant to this Act 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.
If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

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

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

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

1. The name of the seller;

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

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

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

5. The amount of tax due; and

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

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

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

Beginning on October 1, 2003, every distributor, importing
distributor, and manufacturer of alcoholic liquor as defined
in the Liquor Control Act of 1934, shall file a statement with
the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

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

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of $150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of $100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of $50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of $200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities
under this Act, and under all other State and local occupation
and use tax laws administered by the Department, for the
immediately preceding calendar year divided by 12. Beginning
on October 1, 2002, a taxpayer who has a tax liability in the
amount set forth in subsection (b) of Section 2505-210 of the
Department of Revenue Law shall make all payments required by
rules of the Department by electronic funds transfer.

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

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

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

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

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

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

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

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

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

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

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this Section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) 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 retailer or trailer retailer for the purpose of resale or (ii) 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 a qualifying rolling stock as provided in Section 2-5 of this 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. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

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

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

The transaction reporting return, in the case of motor
vehicles or trailers that are required to be registered with
an agency of this State, shall be the same document as the
Uniform Invoice referred to in Section 5-402 of the Illinois
Vehicle Code and 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, to the
extent to which Section 1 of this Act allows an exemption for
the value of traded-in property; 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 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; such
other information as is required in Section 5-402 of the
Illinois Vehicle Code, and such other information as the
Department may reasonably require.
The transaction reporting return in the case of watercraft or aircraft 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, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; 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 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.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax 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 titling or registration is required) if the Department and
such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

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

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

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment
of the 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 his 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 2.1% or 1.75% discount
provided for in this Section being allowed. When the user pays
the tax directly to the Department, he 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.

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

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

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

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or $5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. On and after January 1, 2021, a certified service provider, as defined in the Leveling the Playing Field for Illinois Retail Act, filing the return under this Section on behalf of a remote retailer shall, at the time of such return, pay to the Department the amount of tax imposed by this Act less a discount of 1.75%. A remote retailer using a certified service provider to file a return on its behalf, as provided in the Leveling the Playing Field for Illinois Retail Act, is not eligible for the discount. When determining the discount allowed under this Section, retailers shall include the amount of tax that would have been due at the 1% rate but for the 0% rate imposed under this amendatory Act
of the 102nd General Assembly. The discount under this Section is not allowed for the 1.25% portion of taxes paid on aviation fuel that is subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was $10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and
last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was $20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after
January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of $10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than $9,000, or until such
taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than $10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the $10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status.

On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of $20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than $19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than $20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the $20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status.
The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. *Quarter monthly payment status shall be determined under this paragraph as if the rate reduction to 0% in this amendatory Act of the 102nd General Assembly on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption) had not occurred. For quarter monthly payments due under this paragraph on or after July 1, 2023 and through June 30, 2024, "25% of the taxpayer's liability for the same calendar month of the preceding year" shall be determined as if the rate reduction to 0% in this amendatory Act of the 102nd General Assembly had not occurred. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.*
The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of $25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to September 1, 1985 (the effective date of Public Act 84-221), each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or
Section 2f, as the case may be. Once applicable, the
requirement of the making of quarter monthly payments to the
Department pursuant to this paragraph shall continue until
such taxpayer's average monthly prepaid tax collections during
the preceding 2 complete calendar quarters is $25,000 or less.
If any such quarter monthly payment is not paid at the time or
in the amount required, the taxpayer shall be liable for
penalties and interest on such difference, except insofar as
the taxpayer has previously made payments for that month in
excess of the minimum payments previously due.

The provisions of this paragraph apply on and after
October 1, 2001. Without regard to whether a taxpayer is
required to make quarter monthly payments as specified above,
any taxpayer who is required by Section 2d of this Act to
collect and remit prepaid taxes and has collected prepaid
taxes that average in excess of $20,000 per month during the
preceding 4 complete calendar quarters shall file a return
with the Department as required by Section 2f and shall make
payments to the Department on or before the 7th, 15th, 22nd and
last day of the month during which the liability is incurred.
Each payment shall be in an amount equal to 22.5% of the
taxpayer's actual liability for the month or 25% of the
taxpayer's liability for the same calendar month of the
preceding year. The amount of the quarter monthly payments
shall be credited against the final tax liability of the
taxpayer's return for that month filed under this Section or
Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than $19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than $20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability
subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

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

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

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

Beginning August 1, 2000, each month the Department shall
pay into the County and Mass Transit District Fund 20% of the
net revenue realized for the preceding month from the 1.25%
rate on the selling price of motor fuel and gasohol. Beginning
September 1, 2010, each month the Department shall pay into
the County and Mass Transit District Fund 20% of the net
revenue realized for the preceding month from the 1.25% rate
on the selling price of sales tax holiday items.

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

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

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

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

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

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

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

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Annual Specified Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>$54,800,000</td>
</tr>
<tr>
<td>1987</td>
<td>$76,650,000</td>
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<td>$80,480,000</td>
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<td>$182,730,000</td>
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<tr>
<td>1993</td>
<td>$206,520,000;</td>
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and means the Certified Annual Debt Service Requirement (as
defined in Section 13 of the Build Illinois Bond Act) or the
Tax Act Amount, whichever is greater, for fiscal year 1994 and
each fiscal year thereafter; and further provided, that if on
the last business day of any month the sum of (1) the Tax Act
Amount required to be deposited into the Build Illinois Bond
Account in the Build Illinois Fund during such month and (2)
the amount transferred to the Build Illinois Fund from the
State and Local Sales Tax Reform Fund shall have been less than
1/12 of the Annual Specified Amount, an amount equal to the
difference shall be immediately paid into the Build Illinois
Fund from other moneys received by the Department pursuant to
the Tax Acts; and, further provided, that in no event shall the
payments required under the preceding proviso result in
aggregate payments into the Build Illinois Fund pursuant to
this clause (b) for any fiscal year in excess of the greater of
(i) the Tax Act Amount or (ii) the Annual Specified Amount for
such fiscal year. The amounts payable into the Build Illinois
Fund under clause (b) of the first sentence in this paragraph
shall be payable only until such time as the aggregate amount
on deposit under each trust indenture securing Bonds issued
and outstanding pursuant to the Build Illinois Bond Act is
sufficient, taking into account any future investment income,
to fully provide, in accordance with such indenture, for the
defeasance of or the payment of the principal of, premium, if
any, and interest on the Bonds secured by such indenture and on
any Bonds expected to be issued thereafter and all fees and
costs payable with respect thereto, all as certified by the
Director of the Bureau of the Budget (now Governor's Office of
Management and Budget). If on the last business day of any
month in which Bonds are outstanding pursuant to the Build
Illinois Bond Act, the aggregate of moneys deposited in the
Build Illinois Bond Account in the Build Illinois Fund in such
month shall be less than the amount required to be transferred
in such month from the Build Illinois Bond Account to the Build
Illinois Bond Retirement and Interest Fund pursuant to Section
13 of the Build Illinois Bond Act, an amount equal to such
deficiency shall be immediately paid from other moneys
received by the Department pursuant to the Tax Acts to the
Build Illinois Fund; provided, however, that any amounts paid
to the Build Illinois Fund in any fiscal year pursuant to this
sentence shall be deemed to constitute payments pursuant to
clause (b) of the first sentence of this paragraph and shall
reduce the amount otherwise payable for such fiscal year
pursuant to that clause (b). The moneys received by the
Department pursuant to this Act and required to be deposited
into the Build Illinois Fund are subject to the pledge, claim
and charge set forth in Section 12 of the Build Illinois Bond
Act.

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Deposit</th>
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<tbody>
<tr>
<td>1993</td>
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<td>Year</td>
<td>Enrolled</td>
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<tr>
<td>------</td>
<td>------------</td>
</tr>
<tr>
<td>2010</td>
<td>139,000,000</td>
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<tr>
<td>2011</td>
<td>146,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>153,000,000</td>
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<tr>
<td>2013</td>
<td>161,000,000</td>
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<tr>
<td>2035</td>
<td>375,000,000</td>
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</table>
2036 $450,000,000

and each fiscal year thereafter that bonds are outstanding under Section 13.2 of the Metropolitan Pier and Exposition Authority Act,

but not after fiscal year 2060.

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

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

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

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For
purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department. Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the
Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Subject to successful execution and delivery of a public-private agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim and charge set forth in Section 25-55 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

As used in this paragraph, "civic build", "private entity", "public-private agreement", and "public agency" have the meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.
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Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund,
and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick
Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Law Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax Act.

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

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the
Department on a form prescribed by the Department within not
less than 60 days after receipt of the notice an annual
information return for the tax year specified in the notice.
Such annual return to the Department shall include a statement
of gross receipts as shown by the retailer's last Federal
income tax return. If the total receipts of the business as
reported in the Federal income tax return do not agree with the
gross receipts reported to the Department of Revenue for the
same period, the retailer shall attach to his annual return a
schedule showing a reconciliation of the 2 amounts and the
reasons for the difference. The retailer's annual return to
the Department shall also disclose the cost of goods sold by
the retailer during the year covered by such return, opening
and closing inventories of such goods for such year, costs of
goods used from stock or taken from stock and given away by the
retailer during such year, payroll information of the
retailer's business during such year and any additional
reasonable information which the Department deems would be
helpful in determining the accuracy of the monthly, quarterly
or annual returns filed by such retailer as provided for in
this Section.

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

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

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

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

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

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this
Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

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

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

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

(Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19; 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;
Section 60-35. The Innovation Development and Economy Act is amended by changing Sections 10 and 31 as follows:

(50 ILCS 470/10)

Sec. 10. Definitions. As used in this Act, the following words and phrases shall have the following meanings unless a different meaning clearly appears from the context:

"Base year" means the calendar year immediately prior to the calendar year in which the STAR bond district is established.

"Commence work" means the manifest commencement of actual operations on the development site, such as, erecting a building, general on-site and off-site grading and utility installations, commencing design and construction documentation, ordering lead-time materials, excavating the ground to lay a foundation or a basement, or work of like description which a reasonable person would recognize as being done with the intention and purpose to continue work until the project is completed.

"County" means the county in which a proposed STAR bond district is located.

"De minimis" means an amount less than 15% of the land area within a STAR bond district.
"Department of Revenue" means the Department of Revenue of the State of Illinois.

"Destination user" means an owner, operator, licensee, co-developer, subdeveloper, or tenant (i) that operates a business within a STAR bond district that is a retail store having at least 150,000 square feet of sales floor area; (ii) that at the time of opening does not have another Illinois location within a 70 mile radius; (iii) that has an annual average of not less than 30% of customers who travel from at least 75 miles away or from out-of-state, as demonstrated by data from a comparable existing store or stores, or, if there is no comparable existing store, as demonstrated by an economic analysis that shows that the proposed retailer will have an annual average of not less than 30% of customers who travel from at least 75 miles away or from out-of-state; and (iv) that makes an initial capital investment, including project costs and other direct costs, of not less than $30,000,000 for such retail store.

"Destination hotel" means a hotel (as that term is defined in Section 2 of the Hotel Operators' Occupation Tax Act) complex having at least 150 guest rooms and which also includes a venue for entertainment attractions, rides, or other activities oriented toward the entertainment and amusement of its guests and other patrons.

"Developer" means any individual, corporation, trust, estate, partnership, limited liability partnership, limited
liability company, or other entity. The term does not include a not-for-profit entity, political subdivision, or other agency or instrumentality of the State.

"Director" means the Director of Revenue, who shall consult with the Director of Commerce and Economic Opportunity in any approvals or decisions required by the Director under this Act.

"Economic impact study" means a study conducted by an independent economist to project the financial benefit of the proposed STAR bond project to the local, regional, and State economies, consider the proposed adverse impacts on similar projects and businesses, as well as municipalities within the projected market area, and draw conclusions about the net effect of the proposed STAR bond project on the local, regional, and State economies. A copy of the economic impact study shall be provided to the Director for review.

"Eligible area" means any improved or vacant area that (i) is contiguous and is not, in the aggregate, less than 250 acres nor more than 500 acres which must include only parcels of real property directly and substantially benefited by the proposed STAR bond district plan, (ii) is adjacent to a federal interstate highway, (iii) is within one mile of 2 State highways, (iv) is within one mile of an entertainment user, or a major or minor league sports stadium or other similar entertainment venue that had an initial capital investment of at least $20,000,000, and (v) includes land that was
previously surface or strip mined. The area may be bisected by streets, highways, roads, alleys, railways, bike paths, streams, rivers, and other waterways and still be deemed contiguous. In addition, in order to constitute an eligible area one of the following requirements must be satisfied and all of which are subject to the review and approval of the Director as provided in subsection (d) of Section 15:

(a) the governing body of the political subdivision shall have determined that the area meets the requirements of a "blighted area" as defined under the Tax Increment Allocation Redevelopment Act; or

(b) the governing body of the political subdivision shall have determined that the area is a blighted area as determined under the provisions of Section 11-74.3-5 of the Illinois Municipal Code; or

(c) the governing body of the political subdivision shall make the following findings:

(i) that the vacant portions of the area have remained vacant for at least one year, or that any building located on a vacant portion of the property was demolished within the last year and that the building would have qualified under item (ii) of this subsection;

(ii) if portions of the area are currently developed, that the use, condition, and character of the buildings on the property are not consistent with
the purposes set forth in Section 5;

(iii) that the STAR bond district is expected to create or retain job opportunities within the political subdivision;

(iv) that the STAR bond district will serve to further the development of adjacent areas;

(v) that without the availability of STAR bonds, the projects described in the STAR bond district plan would not be possible;

(vi) that the master developer meets high standards of creditworthiness and financial strength as demonstrated by one or more of the following: (i) corporate debenture ratings of BBB or higher by Standard & Poor's Corporation or Baa or higher by Moody's Investors Service, Inc.; (ii) a letter from a financial institution with assets of $10,000,000 or more attesting to the financial strength of the master developer; or (iii) specific evidence of equity financing for not less than 10% of the estimated total STAR bond project costs;

(vii) that the STAR bond district will strengthen the commercial sector of the political subdivision;

(viii) that the STAR bond district will enhance the tax base of the political subdivision; and

(ix) that the formation of a STAR bond district is in the best interest of the political subdivision.
"Entertainment user" means an owner, operator, licensee, co-developer, subdeveloper, or tenant that operates a business within a STAR bond district that has a primary use of providing a venue for entertainment attractions, rides, or other activities oriented toward the entertainment and amusement of its patrons, occupies at least 20 acres of land in the STAR bond district, and makes an initial capital investment, including project costs and other direct and indirect costs, of not less than $25,000,000 for that venue.

"Feasibility study" means a feasibility study as defined in subsection (b) of Section 20.

"Infrastructure" means the public improvements and private improvements that serve the public purposes set forth in Section 5 of this Act and that benefit the STAR bond district or any STAR bond projects, including, but not limited to, streets, drives and driveways, traffic and directional signs and signals, parking lots and parking facilities, interchanges, highways, sidewalks, bridges, underpasses and overpasses, bike and walking trails, sanitary storm sewers and lift stations, drainage conduits, channels, levees, canals, storm water detention and retention facilities, utilities and utility connections, water mains and extensions, and street and parking lot lighting and connections.

"Local sales taxes" means any locally-imposed taxes received by a municipality, county, or other local governmental entity arising from sales by retailers and
servicemen within a STAR bond district, including business
district sales taxes and STAR bond occupation taxes, and that
portion of the net revenue realized under the Retailers'
Occupation Tax Act, the Use Tax Act, the Service Use Tax Act,
and the Service Occupation Tax Act from transactions at places
of business located within a STAR bond district, including
that portion of the net revenue that would have been realized
but for the reduction of the rate to 0% under this amendatory
Act of the 102nd General Assembly, that is deposited or, under
this amendatory Act of the 102nd General Assembly, transferred
into the Local Government Tax Fund and the County and Mass
Transit District Fund. For the purpose of this Act, "local
sales taxes" does not include (i) any taxes authorized
pursuant to the Local Mass Transit District Act or the
Metro-East Park and Recreation District Act for so long as the
applicable taxing district does not impose a tax on real
property, (ii) county school facility and resources occupation
taxes imposed pursuant to Section 5-1006.7 of the Counties
Code, or (iii) any taxes authorized under the Flood Prevention
District Act.

"Local sales tax increment" means, except as otherwise
provided in this Section, with respect to local sales taxes
administered by the Illinois Department of Revenue, (i) all of
the local sales tax paid (plus all of the local sales tax that
would have been paid but for the reduction of the rate to 0%
under this amendatory Act of the 102nd General Assembly) by
destination users, destination hotels, and entertainment users that is in excess of the local sales tax paid (plus all of the local sales tax that would have been paid but for the reduction of the rate to 0% under this amendatory Act of the 102nd General Assembly) by destination users, destination hotels, and entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue, (ii) in the case of a municipality forming a STAR bond district that is wholly within the corporate boundaries of the municipality and in the case of a municipality and county forming a STAR bond district that is only partially within such municipality, that portion of the local sales tax paid (plus the local sales tax that would have been paid but for the reduction of the rate to 0% under this amendatory Act of the 102nd General Assembly) by taxpayers that are not destination users, destination hotels, or entertainment users that is in excess of the local sales tax paid (plus the local sales tax that would have been paid but for the reduction of the rate to 0% under this amendatory Act of the 102nd General Assembly) by taxpayers that are not destination users, destination hotels, or entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue, and (iii) in the case of a county in which a STAR bond district is formed that is wholly within a municipality, that portion of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users that is in excess of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue.
sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue, but only if the corporate authorities of the county adopts an ordinance, and files a copy with the Department within the same time frames as required for STAR bond occupation taxes under Section 31, that designates the taxes referenced in this clause (iii) as part of the local sales tax increment under this Act. "Local sales tax increment" means, with respect to local sales taxes administered by a municipality, county, or other unit of local government, that portion of the local sales tax that is in excess of the local sales tax for the same month in the base year, as determined by the respective municipality, county, or other unit of local government. If any portion of local sales taxes are, at the time of formation of a STAR bond district, already subject to tax increment financing under the Tax Increment Allocation Redevelopment Act, then the local sales tax increment for such portion shall be frozen at the base year established in accordance with this Act, and all future incremental increases shall be included in the "local sales tax increment" under this Act. Any party otherwise entitled to receipt of incremental local sales tax revenues through an existing tax increment financing district shall be entitled to continue to receive such revenues up to the amount frozen in the base year. Nothing in this Act shall affect the prior qualification of
existing redevelopment project costs incurred that are eligible for reimbursement under the Tax Increment Allocation Redevelopment Act. In such event, prior to approving a STAR bond district, the political subdivision forming the STAR bond district shall take such action as is necessary, including amending the existing tax increment financing district redevelopment plan, to carry out the provisions of this Act. The Illinois Department of Revenue shall allocate the local sales tax increment only if the local sales tax is administered by the Department. "Local sales tax increment" does not include taxes and penalties collected on aviation fuel, as defined in Section 3 of the Retailers' Occupation Tax, sold on or after December 1, 2019 and through December 31, 2020.

"Market study" means a study to determine the ability of the proposed STAR bond project to gain market share locally and regionally and to remain profitable past the term of repayment of STAR bonds.

"Master developer" means a developer cooperating with a political subdivision to plan, develop, and implement a STAR bond project plan for a STAR bond district. Subject to the limitations of Section 25, the master developer may work with and transfer certain development rights to other developers for the purpose of implementing STAR bond project plans and achieving the purposes of this Act. A master developer for a STAR bond district shall be appointed by a political
subdivision in the resolution establishing the STAR bond district, and the master developer must, at the time of appointment, own or have control of, through purchase agreements, option contracts, or other means, not less than 50% of the acreage within the STAR bond district and the master developer or its affiliate must have ownership or control on June 1, 2010.

"Master development agreement" means an agreement between the master developer and the political subdivision to govern a STAR bond district and any STAR bond projects.

"Municipality" means the city, village, or incorporated town in which a proposed STAR bond district is located.

"Pledged STAR revenues" means those sales tax and revenues and other sources of funds pledged to pay debt service on STAR bonds or to pay project costs pursuant to Section 30. Notwithstanding any provision to the contrary, the following revenues shall not constitute pledged STAR revenues or be available to pay principal and interest on STAR bonds: any State sales tax increment or local sales tax increment from a retail entity initiating operations in a STAR bond district while terminating operations at another Illinois location within 25 miles of the STAR bond district. For purposes of this paragraph, "terminating operations" means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a STAR bond district.
within one year before or after initiating operations in the
STAR bond district, but it does not mean closing an operation
for reasons beyond the control of the retail entity, as
documented by the retail entity, subject to a reasonable
finding by the municipality (or county if such retail
operation is not located within a municipality) in which the
terminated operations were located that the closed location
contained inadequate space, had become economically obsolete,
or was no longer a viable location for the retailer or
serviceman.

"Political subdivision" means a municipality or county
which undertakes to establish a STAR bond district pursuant to
the provisions of this Act.

"Project costs" means and includes the sum total of all
costs incurred or estimated to be incurred on or following the
date of establishment of a STAR bond district that are
reasonable or necessary to implement a STAR bond district plan
or any STAR bond project plans, or both, including costs
incurred for public improvements and private improvements that
serve the public purposes set forth in Section 5 of this Act.
Such costs include without limitation the following:

(a) costs of studies, surveys, development of plans
and specifications, formation, implementation, and
administration of a STAR bond district, STAR bond district
plan, any STAR bond projects, or any STAR bond project
plans, including, but not limited to, staff and
professional service costs for architectural, engineering, legal, financial, planning, or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected and no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years;

(b) property assembly costs, including, but not limited to, acquisition of land and other real property or rights or interests therein, located within the boundaries of a STAR bond district, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, the clearing and grading of land, and importing additional soil and fill materials, or removal of soil and fill materials from the site;

(c) subject to paragraph (d), costs of buildings and other vertical improvements that are located within the boundaries of a STAR bond district and owned by a political subdivision or other public entity, including without limitation police and fire stations, educational facilities, and public restrooms and rest areas;

(c-1) costs of buildings and other vertical
improvements that are located within the boundaries of a STAR bond district and owned by a destination user or destination hotel; except that only 2 destination users in a STAR bond district and one destination hotel are eligible to include the cost of those vertical improvements as project costs;

(c-5) costs of buildings; rides and attractions, which include carousels, slides, roller coasters, displays, models, towers, works of art, and similar theme and amusement park improvements; and other vertical improvements that are located within the boundaries of a STAR bond district and owned by an entertainment user; except that only one entertainment user in a STAR bond district is eligible to include the cost of those vertical improvements as project costs;

(d) costs of the design and construction of infrastructure and public works located within the boundaries of a STAR bond district that are reasonable or necessary to implement a STAR bond district plan or any STAR bond project plans, or both, except that project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public
building unless the political subdivision makes a
reasonable determination in a STAR bond district plan or
any STAR bond project plans, supported by information that
provides the basis for that determination, that the new
municipal building is required to meet an increase in the
need for public safety purposes anticipated to result from
the implementation of the STAR bond district plan or any
STAR bond project plans;

(e) costs of the design and construction of the
following improvements located outside the boundaries of a
STAR bond district, provided that the costs are essential
to further the purpose and development of a STAR bond
district plan and either (i) part of and connected to
sewer, water, or utility service lines that physically
connect to the STAR bond district or (ii) significant
improvements for adjacent offsite highways, streets,
roadways, and interchanges that are approved by the
Illinois Department of Transportation. No other cost of
infrastructure and public works improvements located
outside the boundaries of a STAR bond district may be
deemed project costs;

(f) costs of job training and retraining projects,
including the cost of "welfare to work" programs
implemented by businesses located within a STAR bond
district;

(g) financing costs, including, but not limited to,
all necessary and incidental expenses related to the
issuance of obligations and which may include payment of
interest on any obligations issued hereunder including
interest accruing during the estimated period of
construction of any improvements in a STAR bond district
or any STAR bond projects for which such obligations are
issued and for not exceeding 36 months thereafter and
including reasonable reserves related thereto;

(h) to the extent the political subdivision by written
agreement accepts and approves the same, all or a portion
of a taxing district's capital costs resulting from a STAR
bond district or STAR bond projects necessarily incurred
or to be incurred within a taxing district in furtherance
of the objectives of a STAR bond district plan or STAR bond
project plans;

(i) interest cost incurred by a developer for project
costs related to the acquisition, formation,
implementation, development, construction, and
administration of a STAR bond district, STAR bond district
plan, STAR bond projects, or any STAR bond project plans
provided that:

(i) payment of such costs in any one year may not
exceed 30% of the annual interest costs incurred by
the developer with regard to the STAR bond district or
any STAR bond projects during that year; and

(ii) the total of such interest payments paid
pursuant to this Act may not exceed 30% of the total
cost paid or incurred by the developer for a STAR bond
district or STAR bond projects, plus project costs,
excluding any property assembly costs incurred by a
political subdivision pursuant to this Act;

(j) costs of common areas located within the
boundaries of a STAR bond district;

(k) costs of landscaping and plantings, retaining
walls and fences, man-made lakes and ponds, shelters,
benches, lighting, and similar amenities located within
the boundaries of a STAR bond district;

(l) costs of mounted building signs, site monument,
and pylon signs located within the boundaries of a STAR
bond district; or

(m) if included in the STAR bond district plan and
approved in writing by the Director, salaries or a portion
of salaries for local government employees to the extent
the same are directly attributable to the work of such
employees on the establishment and management of a STAR
bond district or any STAR bond projects.

Except as specified in items (a) through (m), "project
costs" shall not include:

(i) the cost of construction of buildings that are
privately owned or owned by a municipality and leased to a
developer or retail user for non-entertainment retail
uses;
(ii) moving expenses for employees of the businesses locating within the STAR bond district;

(iii) property taxes for property located in the STAR bond district;

(iv) lobbying costs; and

(v) general overhead or administrative costs of the political subdivision that would still have been incurred by the political subdivision if the political subdivision had not established a STAR bond district.

"Project development agreement" means any one or more agreements, including any amendments thereto, between a master developer and any co-developer or subdeveloper in connection with a STAR bond project, which project development agreement may include the political subdivision as a party.

"Projected market area" means any area within the State in which a STAR bond district or STAR bond project is projected to have a significant fiscal or market impact as determined by the Director.

"Resolution" means a resolution, order, ordinance, or other appropriate form of legislative action of a political subdivision or other applicable public entity approved by a vote of a majority of a quorum at a meeting of the governing body of the political subdivision or applicable public entity.

"STAR bond" means a sales tax and revenue bond, note, or other obligation payable from pledged STAR revenues and issued by a political subdivision, the proceeds of which shall be
used only to pay project costs as defined in this Act.

"STAR bond district" means the specific area declared to be an eligible area as determined by the political subdivision, and approved by the Director, in which the political subdivision may develop one or more STAR bond projects.

"STAR bond district plan" means the preliminary or conceptual plan that generally identifies the proposed STAR bond project areas and identifies in a general manner the buildings, facilities, and improvements to be constructed or improved in each STAR bond project area.

"STAR bond project" means a project within a STAR bond district which is approved pursuant to Section 20.

"STAR bond project area" means the geographic area within a STAR bond district in which there may be one or more STAR bond projects.

"STAR bond project plan" means the written plan adopted by a political subdivision for the development of a STAR bond project in a STAR bond district; the plan may include, but is not limited to, (i) project costs incurred prior to the date of the STAR bond project plan and estimated future STAR bond project costs, (ii) proposed sources of funds to pay those costs, (iii) the nature and estimated term of any obligations to be issued by the political subdivision to pay those costs, (iv) the most recent equalized assessed valuation of the STAR bond project area, (v) an estimate of the equalized assessed
valuation of the STAR bond district or applicable project area after completion of a STAR bond project, (vi) a general description of the types of any known or proposed developers, users, or tenants of the STAR bond project or projects included in the plan, (vii) a general description of the type, structure, and character of the property or facilities to be developed or improved, (viii) a description of the general land uses to apply to the STAR bond project, and (ix) a general description or an estimate of the type, class, and number of employees to be employed in the operation of the STAR bond project.

"State sales tax" means all of the net revenue realized under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act from transactions at places of business located within a STAR bond district, excluding that portion of the net revenue realized under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act from transactions at places of business located within a STAR bond district that is deposited into the Local Government Tax Fund and the County and Mass Transit District Fund.

"State sales tax increment" means (i) 100% of that portion of the State sales tax that is in excess of the State sales tax for the same month in the base year, as determined by the Department of Revenue, from transactions at up to 2 destination users, one destination hotel, and one
entertainment user located within a STAR bond district, which
destination users, destination hotel, and entertainment user
shall be designated by the master developer and approved by
the political subdivision and the Director in conjunction with
the applicable STAR bond project approval, and (ii) 25% of
that portion of the State sales tax that is in excess of the
State sales tax for the same month in the base year, as
determined by the Department of Revenue, from all other
transactions within a STAR bond district. If any portion of
State sales taxes are, at the time of formation of a STAR bond
district, already subject to tax increment financing under the
Tax Increment Allocation Redevelopment Act, then the State
sales tax increment for such portion shall be frozen at the
base year established in accordance with this Act, and all
future incremental increases shall be included in the State
sales tax increment under this Act. Any party otherwise
entitled to receipt of incremental State sales tax revenues
through an existing tax increment financing district shall be
entitled to continue to receive such revenues up to the amount
frozen in the base year. Nothing in this Act shall affect the
prior qualification of existing redevelopment project costs
incurred that are eligible for reimbursement under the Tax
Increment Allocation Redevelopment Act. In such event, prior
to approving a STAR bond district, the political subdivision
forming the STAR bond district shall take such action as is
necessary, including amending the existing tax increment
financing district redevelopment plan, to carry out the provisions of this Act.

"Substantial change" means a change wherein the proposed STAR bond project plan differs substantially in size, scope, or use from the approved STAR bond district plan or STAR bond project plan.

"Taxpayer" means an individual, partnership, corporation, limited liability company, trust, estate, or other entity that is subject to the Illinois Income Tax Act.

"Total development costs" means the aggregate public and private investment in a STAR bond district, including project costs and other direct and indirect costs related to the development of the STAR bond district.

"Traditional retail use" means the operation of a business that derives at least 90% of its annual gross revenue from sales at retail, as that phrase is defined by Section 1 of the Retailers' Occupation Tax Act, but does not include the operations of destination users, entertainment users, restaurants, hotels, retail uses within hotels, or any other non-retail uses.

"Vacant" means that portion of the land in a proposed STAR bond district that is not occupied by a building, facility, or other vertical improvement.

(Source: P.A. 101-10, eff. 6-5-19; 101-455, eff. 8-23-19; 101-604, eff. 12-13-19.)
Sec. 31. STAR bond occupation taxes.

(a) If the corporate authorities of a political subdivision have established a STAR bond district and have elected to impose a tax by ordinance pursuant to subsection (b) or (c) of this Section, each year after the date of the adoption of the ordinance and until all STAR bond project costs and all political subdivision obligations financing the STAR bond project costs, if any, have been paid in accordance with the STAR bond project plans, but in no event longer than the maximum maturity date of the last of the STAR bonds issued for projects in the STAR bond district, all amounts generated by the retailers' occupation tax and service occupation tax shall be collected and the tax shall be enforced by the Department of Revenue in the same manner as all retailers' occupation taxes and service occupation taxes imposed in the political subdivision imposing the tax. The corporate authorities of the political subdivision shall deposit the proceeds of the taxes imposed under subsections (b) and (c) into either (i) a special fund held by the corporate authorities of the political subdivision called the STAR Bonds Tax Allocation Fund for the purpose of paying STAR bond project costs and obligations incurred in the payment of those costs if such taxes are designated as pledged STAR revenues by resolution or ordinance of the political subdivision or (ii) the political subdivision's general corporate fund if such
taxes are not designated as pledged STAR revenues by resolution or ordinance.

The tax imposed under this Section by a municipality may be imposed only on the portion of a STAR bond district that is within the boundaries of the municipality. For any part of a STAR bond district that lies outside of the boundaries of that municipality, the municipality in which the other part of the STAR bond district lies (or the county, in cases where a portion of the STAR bond district lies in the unincorporated area of a county) is authorized to impose the tax under this Section on that part of the STAR bond district.

(b) The corporate authorities of a political subdivision that has established a STAR bond district under this Act may, by ordinance or resolution, impose a STAR Bond Retailers’ Occupation Tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State’s government, at retail in the STAR bond district at a rate not to exceed 1% of the gross receipts from the sales made in the course of that business, to be imposed only in 0.25% increments. The tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers’ Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019 and through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is
expended for airport-related purposes. If the District does not have an airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax. The municipality must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and
compliance with, this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a through 1o, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsection (c) of this Section.

(c) If a tax has been imposed under subsection (b), a STAR Bond Service Occupation Tax shall also be imposed upon all persons engaged, in the STAR bond district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the STAR bond district, either in the form of tangible personal property or in the form of real estate as an incident
to a sale of service. The tax shall be imposed at the same rate as the tax imposed in subsection (b) and shall not exceed 1% of the selling price of tangible personal property so transferred within the STAR bond district, to be imposed only in 0.25% increments. The tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019 and through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax. The municipality must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under
the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under that ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure as are prescribed in Sections 2, 2a through 2d, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the STAR bond district), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the political subdivision), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and
except that the retailer's discount is not allowed for taxes
paid on aviation fuel that are subject to the revenue use
requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
11, 12 (except the reference therein to Section 2b of the
Retailers' Occupation Tax Act), 13 (except that any reference
to the State shall mean the political subdivision), the first
paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of
the Service Occupation Tax Act and all provisions of the
Uniform Penalty and Interest Act, as fully as if those
provisions were set forth herein.

If a tax is imposed under this subsection (c), a tax shall
also be imposed under subsection (b) of this Section.

(d) Persons subject to any tax imposed under this Section
may reimburse themselves for their seller's tax liability
under this Section by separately stating the tax as an
additional charge, which charge may be stated in combination,
in a single amount, with State taxes that sellers are required
to collect under the Use Tax Act, in accordance with such
bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be
made under this Section to a claimant instead of issuing a
credit memorandum, the Department shall notify the State
Comptroller, who shall cause the order to be drawn for the
amount specified and to the person named in the notification
from the Department. The refund shall be paid by the State
Treasurer out of the STAR Bond Retailers' Occupation Tax Fund
or the Local Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes, penalties, and interest collected under this Section for deposit into the STAR Bond Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District. On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named political subdivisions from the STAR Bond Retailers' Occupation Tax Fund, the political subdivisions to be those from which retailers have paid taxes or penalties under this Section to the Department during the second preceding calendar month. The amount to be paid to each political subdivision shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any
amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, less 3% of that amount, which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this Section, on behalf of such political subdivision, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the political subdivision. Within 10 days after receipt by the Comptroller of the disbursement certification to the political subdivisions provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification. The proceeds of the tax paid to political subdivisions under this Section shall be deposited into either (i) the STAR Bonds Tax Allocation Fund by the political subdivision if the political subdivision has designated them as pledged STAR revenues by resolution or ordinance or (ii) the political subdivision's general corporate fund if the political subdivision has not designated them as pledged STAR revenues.

An ordinance or resolution imposing or discontinuing the tax under this Section or effecting a change in the rate
thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department, if all other requirements of this Section are met, shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon, if all other requirements of this Section are met, the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of the tax under this Section until the political subdivision also provides, in the manner prescribed by the Department, the boundaries of the STAR bond district and each address in the STAR bond district in such a way that the Department can determine by its address whether a business is located in the STAR bond district. The political subdivision must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this Section by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this Section by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any
change made to the boundaries of a STAR bond district or any address change, addition, or deletion until the political subdivision reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The political subdivision must provide this boundary change or address change, addition, or deletion information to the Department on or before April 1 for administration and enforcement by the Department of the change, addition, or deletion beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change, addition, or deletion beginning on the following January 1. The retailers in the STAR bond district shall be responsible for charging the tax imposed under this Section. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this Section, both the Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the political subdivision.

A political subdivision that imposes the tax under this Section must submit to the Department of Revenue any other information as the Department may require that is necessary for the administration and enforcement of the tax.

When certifying the amount of a monthly disbursement to a political subdivision under this Section, the Department shall increase or decrease the amount by an amount necessary to
offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Nothing in this Section shall be construed to authorize the political subdivision to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(e) When STAR bond project costs, including, without limitation, all political subdivision obligations financing STAR bond project costs, have been paid, any surplus funds then remaining in the STAR Bonds Tax Allocation Fund shall be distributed to the treasurer of the political subdivision for deposit into the political subdivision's general corporate fund. Upon payment of all STAR bond project costs and retirement of obligations, but in no event later than the maximum maturity date of the last of the STAR bonds issued in the STAR bond district, the political subdivision shall adopt an ordinance immediately rescinding the taxes imposed pursuant to this Section and file a certified copy of the ordinance with the Department in the form and manner as described in this Section.

(Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)
Sections 5-1006, 5-1006.5, 5-1006.7, and 5-1007 as follows:

(55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

Sec. 5-1006. Home Rule County Retailers' Occupation Tax Law. Any county that is a home rule unit may impose a tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from such sales made in the course of their business. If imposed, this tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b)
and 49 U.S.C. 47133 are binding on the county. The changes made to this Section by this amendatory Act of the 101st General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule county pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule county pursuant to this Section unless the county also imposes a tax at the same rate pursuant to Section 5-1007.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State
Treasurer out of the home rule county retailers' occupation tax fund or the Local Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule County Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the
disbursement of stated sums of money to named counties, the
counties to be those from which retailers have paid taxes or
penalties hereunder to the Department during the second
preceding calendar month. The amount to be paid to each county
shall be the amount (not including credit memoranda and not
including taxes and penalties collected on aviation fuel sold
on or after December 1, 2019) collected hereunder during the
second preceding calendar month by the Department plus an
amount the Department determines is necessary to offset any
amounts that were erroneously paid to a different taxing body,
and not including an amount equal to the amount of refunds made
during the second preceding calendar month by the Department
on behalf of such county, and not including any amount which
the Department determines is necessary to offset any amounts
which were payable to a different taxing body but were
erroneously paid to the county, and not including any amounts
that are transferred to the STAR Bonds Revenue Fund, less 1.5%
of the remainder, which the Department shall transfer into the
Tax Compliance and Administration Fund. The Department, at the
time of each monthly disbursement to the counties, shall
prepare and certify to the State Comptroller the amount to be
transferred into the Tax Compliance and Administration Fund
under this Section. Within 10 days after receipt, by the
Comptroller, of the disbursement certification to the counties
and the Tax Compliance and Administration Fund provided for in
this Section to be given to the Comptroller by the Department,
the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in March of each year to each county that received more than $500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale.
Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax
hereunder or effecting a change in the rate thereof shall
either (i) be adopted and a certified copy thereof filed with
the Department on or before the first day of April, whereupon
the Department shall proceed to administer and enforce this
Section as of the first day of July next following the adoption
and filing; or (ii) be adopted and a certified copy thereof
filed with the Department on or before the first day of
October, whereupon the Department shall proceed to administer
and enforce this Section as of the first day of January next
following the adoption and filing.

When certifying the amount of a monthly disbursement to a
county under this Section, the Department shall increase or
decrease such amount by an amount necessary to offset any
misallocation of previous disbursements. The offset amount
shall be the amount erroneously disbursed within the previous
6 months from the time a misallocation is discovered.

This Section shall be known and may be cited as the Home
Rule County Retailers' Occupation Tax Law.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
7-12-19; 101-604, eff. 12-13-19.)

(55 ILCS 5/5-1006.5)

Sec. 5-1006.5. Special County Retailers' Occupation Tax
For Public Safety, Public Facilities, Mental Health, Substance
Abuse, or Transportation.
(a) The county board of any county may impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of business to provide revenue to be used exclusively for public safety, public facility, mental health, substance abuse, or transportation purposes in that county (except as otherwise provided in this Section), if a proposition for the tax has been submitted to the electors of that county and approved by a majority of those voting on the question. If imposed, this tax shall be imposed only in one-quarter percent increments. By resolution, the county board may order the proposition to be submitted at any election. If the tax is imposed for transportation purposes for expenditures for public highways or as authorized under the Illinois Highway Code, the county board must publish notice of the existence of its long-range highway transportation plan as required or described in Section 5-301 of the Illinois Highway Code and must make the plan publicly available prior to approval of the ordinance or resolution imposing the tax. If the tax is imposed for transportation purposes for expenditures for passenger rail transportation, the county board must publish notice of the existence of its long-range passenger rail transportation plan and must make the plan publicly available prior to approval of the ordinance
or resolution imposing the tax.

If a tax is imposed for public facilities purposes, then the name of the project may be included in the proposition at the discretion of the county board as determined in the enabling resolution. For example, the "XXX Nursing Home" or the "YYY Museum".

The county clerk shall certify the question to the proper election authority, who shall submit the proposition at an election in accordance with the general election law.

(1) The proposition for public safety purposes shall be in substantially the following form:

"To pay for public safety purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public safety purposes shall be in substantially the following form:

"To pay for public safety purposes, shall (name of
county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)"

As additional information on the ballot below the question shall appear the following:
"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For the purposes of the paragraph, "public safety purposes" means crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services.

Votes shall be recorded as "Yes" or "No".

Beginning on the January 1 or July 1, whichever is first, that occurs not less than 30 days after May 31, 2015 (the effective date of Public Act 99-4), Adams County may impose a public safety retailers' occupation tax and service occupation tax at the rate of 0.25%, as provided in the referendum approved by the voters on April 7, 2015, notwithstanding the omission of the additional information that is otherwise required to be printed on the ballot below the question pursuant to this item (1).

(2) The proposition for transportation purposes shall
be in substantially the following form:

"To pay for improvements to roads and other transportation purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for transportation purposes shall be in substantially the following form:

"To pay for road improvements and other transportation purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail. If imposed,
the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For the purposes of this paragraph, transportation purposes means construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation.

The votes shall be recorded as "Yes" or "No".

(3) The proposition for public facilities purposes shall be in substantially the following form:

"To pay for public facilities purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public facilities purposes shall be in substantially the following form:

"To pay for public facilities purposes, shall (name of
(4) The proposition for mental health purposes shall be in substantially the following form:

"The county (insert name) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For purposes of this Section, "public facilities purposes" means the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the public facilities, for use by the county for the furnishing of governmental services to its citizens, including, but not limited to, museums and nursing homes.

The votes shall be recorded as "Yes" or "No".
"To pay for mental health purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public facilities purposes shall be in substantially the following form:

"To pay for mental health purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."
The votes shall be recorded as "Yes" or "No".

(5) The proposition for substance abuse purposes shall be in substantially the following form:

"To pay for substance abuse purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public facilities purposes shall be in substantially the following form:

"To pay for substance abuse purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every $100 of tangible personal property bought at retail. If imposed,
the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

The votes shall be recorded as "Yes" or "No".

If a majority of the electors voting on the proposition vote in favor of it, the county may impose the tax. A county may not submit more than one proposition authorized by this Section to the electors at any one time.

This additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019 and through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax.

The county must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county. The tax imposed by a county under this Section and all civil penalties that may be
assessed as an incident of the tax shall be collected and
enforced by the Illinois Department of Revenue and deposited
into a special fund created for that purpose. The certificate
of registration that is issued by the Department to a retailer
under the Retailers' Occupation Tax Act shall permit the
retailer to engage in a business that is taxable without
registering separately with the Department under an ordinance
or resolution under this Section. The Department has full
power to administer and enforce this Section, to collect all
taxes and penalties due under this Section, to dispose of
taxes and penalties so collected in the manner provided in
this Section, and to determine all rights to credit memoranda
arising on account of the erroneous payment of a tax or penalty
under this Section. In the administration of and compliance
with this Section, the Department and persons who are subject
to this Section shall (i) have the same rights, remedies,
privileges, immunities, powers, and duties, (ii) be subject to
the same conditions, restrictions, limitations, penalties, and
definitions of terms, and (iii) employ the same modes of
procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e,
1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all
provisions contained in those Sections other than the State
rate of tax), 2a, 2b, 2c, 3 (except provisions relating to
transaction returns and quarter monthly payments, and except
that the retailer's discount is not allowed for taxes paid on
aviation fuel that are deposited into the Local Government
Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their sellers' tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracketed schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Retailers' Occupation Tax Fund or the Local Government Aviation Trust Fund, as appropriate.

(b) If a tax has been imposed under subsection (a), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those
sales of service, transfer tangible personal property within
the county as an incident to a sale of service. This tax may
not be imposed on tangible personal property taxed at the 1%
rate under the Service Occupation Tax Act (or at the 0% rate
imposed under this amendatory Act of the 102nd General
Assembly). Beginning December 1, 2019 and through December 31,
2020, this tax is not imposed on sales of aviation fuel unless
the tax revenue is expended for airport-related purposes. If
the county does not have an airport-related purpose to which
it dedicates aviation fuel tax revenue, then aviation fuel is
excluded from the tax. The county must comply with the
certification requirements for airport-related purposes under
Section 2-22 of the Retailers' Occupation Tax Act. For
purposes of this Section, "airport-related purposes" has the
meaning ascribed in Section 6z-20.2 of the State Finance Act.
Beginning January 1, 2021, this tax is not imposed on sales of
aviation fuel for so long as the revenue use requirements of 49
U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.
The tax imposed under this subsection and all civil penalties
that may be assessed as an incident thereof shall be collected
and enforced by the Department of Revenue. The Department has
full power to administer and enforce this subsection; to
collect all taxes and penalties due hereunder; to dispose of
taxes and penalties so collected in the manner hereinafter
provided; and to determine all rights to credit memoranda
arising on account of the erroneous payment of tax or penalty
hereunder. In the administration of and compliance with this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the county), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the county), 9 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the county), Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act, and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their
serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Retailers' Occupation Fund or the Local Government Aviation Trust Fund, as appropriate.

Nothing in this subsection shall be construed to authorize the county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(c) Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the County Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Retailers' Occupation Tax Fund, which shall be
an unappropriated trust fund held outside of the State

treasury. Taxes and penalties collected on aviation fuel sold

on or after December 1, 2019 and through December 31, 2020,

shall be immediately paid over by the Department to the State

Treasurer, ex officio, as trustee, for deposit into the Local

Government Aviation Trust Fund. The Department shall only pay

moneys into the Local Government Aviation Trust Fund under

this Act for so long as the revenue use requirements of 49

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

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

beginning January 1, 2011, upon certification of the

Department of Revenue, the Comptroller shall order

transferred, and the Treasurer shall transfer, to the STAR

Bonds Revenue Fund the local sales tax increment, as defined

in the Innovation Development and Economy Act, collected under

this Section during the second preceding calendar month for

sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund,

on or before the 25th day of each calendar month, the

Department shall prepare and certify to the Comptroller the

disbursement of stated sums of money to the counties from

which retailers have paid taxes or penalties to the Department

during the second preceding calendar month. The amount to be

paid to each county, and deposited by the county into its

special fund created for the purposes of this Section, shall

be the amount (not including credit memoranda and not
including taxes and penalties collected on aviation fuel sold
on or after December 1, 2019 and through December 31, 2020)
collected under this Section during the second preceding
calendar month by the Department plus an amount the Department
determines is necessary to offset any amounts that were
erroneously paid to a different taxing body, and not including
(i) an amount equal to the amount of refunds made during the
second preceding calendar month by the Department on behalf of
the county, (ii) any amount that the Department determines is
necessary to offset any amounts that were payable to a
different taxing body but were erroneously paid to the county,
(iii) any amounts that are transferred to the STAR Bonds
Revenue Fund, and (iv) 1.5% of the remainder, which shall be
transferred into the Tax Compliance and Administration Fund.
The Department, at the time of each monthly disbursement to
the counties, shall prepare and certify to the State
Comptroller the amount to be transferred into the Tax
Compliance and Administration Fund under this subsection.
Within 10 days after receipt by the Comptroller of the
disbursement certification to the counties and the Tax
Compliance and Administration Fund provided for in this
Section to be given to the Comptroller by the Department, the
Comptroller shall cause the orders to be drawn for the
respective amounts in accordance with directions contained in
the certification.

In addition to the disbursement required by the preceding
paragraph, an allocation shall be made in March of each year to
each county that received more than $500,000 in disbursements
under the preceding paragraph in the preceding calendar year.
The allocation shall be in an amount equal to the average
monthly distribution made to each such county under the
preceding paragraph during the preceding calendar year
(excluding the 2 months of highest receipts). The distribution
made in March of each year subsequent to the year in which an
allocation was made pursuant to this paragraph and the
preceding paragraph shall be reduced by the amount allocated
and disbursed under this paragraph in the preceding calendar
year. The Department shall prepare and certify to the
Comptroller for disbursement the allocations made in
accordance with this paragraph.

(d) For the purpose of determining the local governmental
unit whose tax is applicable, a retail sale by a producer of
coal or another mineral mined in Illinois is a sale at retail
at the place where the coal or other mineral mined in Illinois
is extracted from the earth. This paragraph does not apply to
coal or another mineral when it is delivered or shipped by the
seller to the purchaser at a point outside Illinois so that the
sale is exempt under the United States Constitution as a sale
in interstate or foreign commerce.

(e) Nothing in this Section shall be construed to
authorize a county to impose a tax upon the privilege of
engaging in any business that under the Constitution of the
United States may not be made the subject of taxation by this State.

(e-5) If a county imposes a tax under this Section, the county board may, by ordinance, discontinue or lower the rate of the tax. If the county board lowers the tax rate or discontinues the tax, a referendum must be held in accordance with subsection (a) of this Section in order to increase the rate of the tax or to reimpose the discontinued tax.

(f) Beginning April 1, 1998 and through December 31, 2013, the results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax, or any ordinance lowering the rate or discontinuing the tax, shall be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the filing.

Beginning January 1, 2014, the results of any election authorizing a proposition to impose a tax under this Section or effecting an increase in the rate of tax, along with the ordinance adopted to impose the tax or increase the rate of the tax, or any ordinance adopted to lower the rate or discontinue the tax, shall be certified by the county clerk and filed with
the Illinois Department of Revenue either (i) on or before the
first day of May, whereupon the Department shall proceed to
administer and enforce the tax as of the first day of July next
following the adoption and filing; or (ii) on or before the
first day of October, whereupon the Department shall proceed
to administer and enforce the tax as of the first day of
January next following the adoption and filing.

(g) When certifying the amount of a monthly disbursement
to a county under this Section, the Department shall increase
or decrease the amounts by an amount necessary to offset any
miscalculation of previous disbursements. The offset amount
shall be the amount erroneously disbursed within the previous
6 months from the time a miscalculation is discovered.

(g-5) Every county authorized to levy a tax under this
Section shall, before it levies such tax, establish a 7-member
mental health board, which shall have the same powers and
duties and be constituted in the same manner as a community
mental health board established under the Community Mental
Health Act. Proceeds of the tax under this Section that are
earmarked for mental health or substance abuse purposes shall
be deposited into a special county occupation tax fund for
mental health and substance abuse. The 7-member mental health
board established under this subsection shall administer the
special county occupation tax fund for mental health and
substance abuse in the same manner as the community mental
health board administers the community mental health fund
under the Community Mental Health Act.

(h) This Section may be cited as the "Special County Occupation Tax For Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Law".

(i) For purposes of this Section, "public safety" includes, but is not limited to, crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services. The county may share tax proceeds received under this Section for public safety purposes, including proceeds received before August 4, 2009 (the effective date of Public Act 96-124), with any fire protection district located in the county. For the purposes of this Section, "transportation" includes, but is not limited to, the construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation. For the purposes of this Section, "public facilities purposes" includes, but is not limited to, the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the public facilities, for use by the county for the furnishing of governmental services to its citizens, including, but not limited to, museums and
nursing homes.

(j) The Department may promulgate rules to implement Public Act 95-1002 only to the extent necessary to apply the existing rules for the Special County Retailers' Occupation Tax for Public Safety to this new purpose for public facilities.

(Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-275, eff. 8-9-19; 101-604, eff. 12-13-19; 102-379, eff. 1-1-22.)

(55 ILCS 5/5-1006.7)

Sec. 5-1006.7. School facility and resources occupation taxes.

(a) In any county, a tax shall be imposed upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of business to provide revenue to be used exclusively for (i) school facility purposes (except as otherwise provided in this Section), (ii) school resource officers and mental health professionals, or (iii) school facility purposes, school resource officers, and mental health professionals if a proposition for the tax has been submitted to the electors of that county and approved by a majority of those voting on the question as provided in subsection (c). The tax under this
Section shall be imposed only in one-quarter percent increments and may not exceed 1%.

This additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019 and through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county. The Department of Revenue has full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this subsection. The Department shall deposit all taxes and penalties collected
under this subsection into a special fund created for that
purpose.

In the administration of and compliance with this
subsection, the Department and persons who are subject to this
subsection (i) have the same rights, remedies, privileges,
immunities, powers, and duties, (ii) are subject to the same
conditions, restrictions, limitations, penalties, and
definitions of terms, and (iii) shall employ the same modes of
procedure as are set forth in Sections 1 through 10, 2 through
2-70 (in respect to all provisions contained in those Sections
other than the State rate of tax), 2a through 2h, 3 (except as
to the disposition of taxes and penalties collected, and
except that the retailer's discount is not allowed for taxes
paid on aviation fuel that are subject to the revenue use
requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,
6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
Occupation Tax Act and all provisions of the Uniform Penalty
and Interest Act as if those provisions were set forth in this
subsection.

The certificate of registration that is issued by the
Department to a retailer under the Retailers' Occupation Tax
Act permits the retailer to engage in a business that is
taxable without registering separately with the Department
under an ordinance or resolution under this subsection.

Persons subject to any tax imposed under the authority
granted in this subsection may reimburse themselves for their seller's tax liability by separately stating that tax as an additional charge, which may be stated in combination, in a single amount, with State tax that sellers are required to collect under the Use Tax Act, pursuant to any bracketed schedules set forth by the Department.

(b) If a tax has been imposed under subsection (a), then a service occupation tax must also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service.

This tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019 and through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not
imposed on sales of aviation fuel for so long as the revenue
use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
binding on the county.

The tax imposed under this subsection and all civil
penalties that may be assessed as an incident thereof shall be
collected and enforced by the Department and deposited into a
special fund created for that purpose. The Department has full
power to administer and enforce this subsection, to collect
all taxes and penalties due under this subsection, to dispose
of taxes and penalties so collected in the manner provided in
this subsection, and to determine all rights to credit
memoranda arising on account of the erroneous payment of a tax
or penalty under this subsection.

In the administration of and compliance with this
subsection, the Department and persons who are subject to this
subsection shall (i) have the same rights, remedies,
privileges, immunities, powers and duties, (ii) be subject to
the same conditions, restrictions, limitations, penalties and
definition of terms, and (iii) employ the same modes of
procedure as are set forth in Sections 2 (except that that
reference to State in the definition of supplier maintaining a
place of business in this State means the county), 2a through
2d, 3 through 3-50 (in respect to all provisions contained in
those Sections other than the State rate of tax), 4 (except
that the reference to the State shall be to the county), 5, 7,
8 (except that the jurisdiction to which the tax is a debt to
the extent indicated in that Section 8 is the county), 9
(except as to the disposition of taxes and penalties
collected, and except that the retailer's discount is not
allowed for taxes paid on aviation fuel that are subject to the
revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
47133), 10, 11, 12 (except the reference therein to Section 2b
of the Retailers' Occupation Tax Act), 13 (except that any
reference to the State means the county), Section 15, 16, 17,
18, 19, and 20 of the Service Occupation Tax Act and all
provisions of the Uniform Penalty and Interest Act, as fully
as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority
granted in this subsection may reimburse themselves for their
serviceman's tax liability by separately stating the tax as an
additional charge, which may be stated in combination, in a
single amount, with State tax that servicemen are authorized
to collect under the Service Use Tax Act, pursuant to any
bracketed schedules set forth by the Department.

(c) The tax under this Section may not be imposed until the
question of imposing the tax has been submitted to the
electors of the county at a regular election and approved by a
majority of the electors voting on the question. For all
regular elections held prior to August 23, 2011 (the effective
date of Public Act 97-542), upon a resolution by the county
board or a resolution by school district boards that represent
at least 51% of the student enrollment within the county, the
county board must certify the question to the proper election authority in accordance with the Election Code.

For all regular elections held prior to August 23, 2011 (the effective date of Public Act 97-542), the election authority must submit the question in substantially the following form:

Shall (name of county) be authorized to impose a retailers' occupation tax and a service occupation tax (commonly referred to as a "sales tax") at a rate of (insert rate) to be used exclusively for school facility purposes?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then the county may, thereafter, impose the tax.

For all regular elections held on or after August 23, 2011 (the effective date of Public Act 97-542), the regional superintendent of schools for the county must, upon receipt of a resolution or resolutions of school district boards that represent more than 50% of the student enrollment within the county, certify the question to the proper election authority for submission to the electors of the county at the next regular election at which the question lawfully may be submitted to the electors, all in accordance with the Election Code.
For all regular elections held on or after August 23, 2011 (the effective date of Public Act 97-542) and before August 23, 2019 (the effective date of Public Act 101-455), the election authority must submit the question in substantially the following form:

Shall a retailers' occupation tax and a service occupation tax (commonly referred to as a "sales tax") be imposed in (name of county) at a rate of (insert rate) to be used exclusively for school facility purposes?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then the tax shall be imposed at the rate set forth in the question.

For all regular elections held on or after August 23, 2019 (the effective date of Public Act 101-455), the election authority must submit the question as follows:

(1) If the referendum is to expand the use of revenues from a currently imposed tax exclusively for school facility purposes to include school resource officers and mental health professionals, the question shall be in substantially the following form:

In addition to school facility purposes, shall (name of county) school districts be authorized to use revenues from the tax commonly referred to as the school facility sales tax that is currently imposed in
(name of county) at a rate of (insert rate) for school
resource officers and mental health professionals?

(2) If the referendum is to increase the rate of a tax
currently imposed exclusively for school facility purposes
at less than 1% and dedicate the additional revenues for
school resource officers and mental health professionals,
the question shall be in substantially the following form:

Shall the tax commonly referred to as the school
facility sales tax that is currently imposed in (name
of county) at the rate of (insert rate) be increased to
a rate of (insert rate) with the additional revenues
used exclusively for school resource officers and
mental health professionals?

(3) If the referendum is to impose a tax in a county
that has not previously imposed a tax under this Section
exclusively for school facility purposes, the question
shall be in substantially the following form:

Shall a retailers' occupation tax and a service
occupation tax (commonly referred to as a sales tax)
be imposed in (name of county) at a rate of (insert
rate) to be used exclusively for school facility
purposes?

(4) If the referendum is to impose a tax in a county
that has not previously imposed a tax under this Section
exclusively for school resource officers and mental health
professionals, the question shall be in substantially the
following form:

Shall a retailers' occupation tax and a service occupation tax (commonly referred to as a sales tax) be imposed in (name of county) at a rate of (insert rate) to be used exclusively for school resource officers and mental health professionals?

(5) If the referendum is to impose a tax in a county that has not previously imposed a tax under this Section exclusively for school facility purposes, school resource officers, and mental health professionals, the question shall be in substantially the following form:

Shall a retailers' occupation tax and a service occupation tax (commonly referred to as a sales tax) be imposed in (name of county) at a rate of (insert rate) to be used exclusively for school facility purposes, school resource officers, and mental health professionals?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then the tax shall be imposed at the rate set forth in the question.

For the purposes of this subsection (c), "enrollment" means the head count of the students residing in the county on the last school day of September of each year, which must be reported on the Illinois State Board of Education Public
School Fall Enrollment/Housing Report.

(d) Except as otherwise provided, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the School Facility Occupation Tax Fund, which shall be an unappropriated trust fund held outside the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019 and through December 31, 2020, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the regional superintendents of schools in counties from which retailers or servicemen have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each regional superintendent of schools and disbursed to him or her in accordance with Section 3-14.31 of the School Code, is equal to the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019 and through December 31,
2020) collected from the county under this Section during the second preceding calendar month by the Department, (i) less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2019 and through December 31, 2020), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this Section, on behalf of the county, (ii) plus an amount that the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body; (iii) less an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; and (iv) less any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county. When certifying the amount of a monthly disbursement to a regional superintendent of schools under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements within the previous 6 months from the time a miscalculation is discovered.

Within 10 days after receipt by the Comptroller from the Department of the disbursement certification to the regional superintendents of the schools provided for in this Section, the Comptroller shall cause the orders to be drawn for the
respective amounts in accordance with directions contained in
the certification.

If the Department determines that a refund should be made
under this Section to a claimant instead of issuing a credit
memorandum, then the Department shall notify the Comptroller,
who shall cause the order to be drawn for the amount specified
and to the person named in the notification from the
Department. The refund shall be paid by the Treasurer out of
the School Facility Occupation Tax Fund or the Local
Government Aviation Trust Fund, as appropriate.

(e) For the purposes of determining the local governmental
unit whose tax is applicable, a retail sale by a producer of
coal or another mineral mined in Illinois is a sale at retail
at the place where the coal or other mineral mined in Illinois
is extracted from the earth. This subsection does not apply to
ccoal or another mineral when it is delivered or shipped by the
seller to the purchaser at a point outside Illinois so that the
sale is exempt under the United States Constitution as a sale
in interstate or foreign commerce.

(f) Nothing in this Section may be construed to authorize
a tax to be imposed upon the privilege of engaging in any
business that under the Constitution of the United States may
not be made the subject of taxation by this State.

(g) If a county board imposes a tax under this Section
pursuant to a referendum held before August 23, 2011 (the
effective date of Public Act 97-542) at a rate below the rate
set forth in the question approved by a majority of electors of
that county voting on the question as provided in subsection
(c), then the county board may, by ordinance, increase the
rate of the tax up to the rate set forth in the question
approved by a majority of electors of that county voting on the
question as provided in subsection (c). If a county board
imposes a tax under this Section pursuant to a referendum held
before August 23, 2011 (the effective date of Public Act
97-542), then the board may, by ordinance, discontinue or
reduce the rate of the tax. If a tax is imposed under this
Section pursuant to a referendum held on or after August 23,
2011 (the effective date of Public Act 97-542) and before
August 23, 2019 (the effective date of Public Act 101-455),
then the county board may reduce or discontinue the tax, but
only in accordance with subsection (h-5) of this Section. If a
tax is imposed under this Section pursuant to a referendum
held on or after August 23, 2019 (the effective date of Public
Act 101-455), then the county board may reduce or discontinue
the tax, but only in accordance with subsection (h-10). If,
however, a school board issues bonds that are secured by the
proceeds of the tax under this Section, then the county board
may not reduce the tax rate or discontinue the tax if that rate
reduction or discontinuance would adversely affect the school
board's ability to pay the principal and interest on those
bonds as they become due or necessitate the extension of
additional property taxes to pay the principal and interest on
those bonds. If the county board reduces the tax rate or discontinues the tax, then a referendum must be held in accordance with subsection (c) of this Section in order to increase the rate of the tax or to reimpose the discontinued tax.

Until January 1, 2014, the results of any election that imposes, reduces, or discontinues a tax under this Section must be certified by the election authority, and any ordinance that increases or lowers the rate or discontinues the tax must be certified by the county clerk and, in each case, filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

Beginning January 1, 2014, the results of any election that imposes, reduces, or discontinues a tax under this Section must be certified by the election authority, and any ordinance that increases or lowers the rate or discontinues the tax must be certified by the county clerk and, in each case, filed with the Illinois Department of Revenue either (i) on or before the first day of May, whereupon the Department shall proceed to administer and enforce the tax or change in
the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

(h) For purposes of this Section, "school facility purposes" means (i) the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the capital facilities and (ii) the payment of bonds or other obligations heretofore or hereafter issued, including bonds or other obligations heretofore or hereafter issued to refund or to continue to refund bonds or other obligations issued, for school facility purposes, provided that the taxes levied to pay those bonds are abated by the amount of the taxes imposed under this Section that are used to pay those bonds. "School facility purposes" also includes fire prevention, safety, energy conservation, accessibility, school security, and specified repair purposes set forth under Section 17-2.11 of the School Code.

(h-5) A county board in a county where a tax has been imposed under this Section pursuant to a referendum held on or
after August 23, 2011 (the effective date of Public Act 97-542) and before August 23, 2019 (the effective date of Public Act 101-455) may, by ordinance or resolution, submit to the voters of the county the question of reducing or discontinuing the tax. In the ordinance or resolution, the county board shall certify the question to the proper election authority in accordance with the Election Code. The election authority must submit the question in substantially the following form:

Shall the school facility retailers' occupation tax and service occupation tax (commonly referred to as the "school facility sales tax") currently imposed in (name of county) at a rate of (insert rate) be (reduced to (insert rate)) (discontinued)?

If a majority of the electors voting on the question vote in the affirmative, then, subject to the provisions of subsection (g) of this Section, the tax shall be reduced or discontinued as set forth in the question.

(h-10) A county board in a county where a tax has been imposed under this Section pursuant to a referendum held on or after August 23, 2019 (the effective date of Public Act 101-455) may, by ordinance or resolution, submit to the voters of the county the question of reducing or discontinuing the tax. In the ordinance or resolution, the county board shall certify the question to the proper election authority in accordance with the Election Code. The election authority must
submit the question in substantially the following form:

Shall the school facility and resources retailers' occupation tax and service occupation tax (commonly referred to as the school facility and resources sales tax) currently imposed in (name of county) at a rate of (insert rate) be (reduced to (insert rate)) (discontinued)?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then, subject to the provisions of subsection (g) of this Section, the tax shall be reduced or discontinued as set forth in the question.

(i) This Section does not apply to Cook County.

(j) This Section may be cited as the County School Facility and Resources Occupation Tax Law.

(Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-455, eff. 8-23-19; 101-604, eff. 12-13-19.)

(55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

Sec. 5-1007. Home Rule County Service Occupation Tax Law.

The corporate authorities of a home rule county may impose a tax upon all persons engaged, in such county, in the business of making sales of service at the same rate of tax imposed pursuant to Section 5-1006 of the selling price of all tangible personal property transferred by such servicemen
either in the form of tangible personal property or in the form
of real estate as an incident to a sale of service. If imposed,
such tax shall only be imposed in 1/4% increments. On and after
September 1, 1991, this additional tax may not be imposed on
tangible personal property taxed at the 1% rate under the
Service Occupation Tax Act (or at the 0% rate imposed under
this amendatory Act of the 102nd General Assembly). Beginning
December 1, 2019, this tax is not imposed on sales of aviation
fuel unless the tax revenue is expended for airport-related
purposes. If the county does not have an airport-related
purpose to which it dedicates aviation fuel tax revenue, then
aviation fuel is excluded from the tax. The county must comply
with the certification requirements for airport-related
purposes under Section 2-22 of the Retailers' Occupation Tax
Act. For purposes of this Section, "airport-related purposes"
has the meaning ascribed in Section 6z-20.2 of the State
Finance Act. This exclusion for aviation fuel only applies for
so long as the revenue use requirements of 49 U.S.C. 47107(b)
and 49 U.S.C. 47133 are binding on the county. The changes made
to this Section by this amendatory Act of the 101st General
Assembly are a denial and limitation of home rule powers and
functions under subsection (g) of Section 6 of Article VII of
the Illinois Constitution. The tax imposed by a home rule
county pursuant to this Section and all civil penalties that
may be assessed as an incident thereof shall be collected and
enforced by the State Department of Revenue. The certificate
of registration which is issued by the Department to a 
retailer under the Retailers' Occupation Tax Act or under the 
Service Occupation Tax Act shall permit such registrant to 
engage in a business which is taxable under any ordinance or 
resolution enacted pursuant to this Section without 
registering separately with the Department under such 
ordinance or resolution or under this Section. The Department 
shall have full power to administer and enforce this Section; 
to collect all taxes and penalties due hereunder; to dispose 
of taxes and penalties so collected in the manner hereinafter 
provided; and to determine all rights to credit memoranda 
arising on account of the erroneous payment of tax or penalty 
hereunder. In the administration of, and compliance with, this 
Section the Department and persons who are subject to this 
Section shall have the same rights, remedies, privileges, 
immunities, powers and duties, and be subject to the same 
conditions, restrictions, limitations, penalties and 
definitions of terms, and employ the same modes of procedure, 
as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in 
respect to all provisions therein other than the State rate of 
tax), 4 (except that the reference to the State shall be to the 
taxing county), 5, 7, 8 (except that the jurisdiction to which 
the tax shall be a debt to the extent indicated in that Section 
8 shall be the taxing county), 9 (except as to the disposition 
of taxes and penalties collected, and except that the returned 
merchandise credit for this county tax may not be taken
against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing county), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule county pursuant to this Section unless such county also imposes a tax at the same rate pursuant to Section 5-1006.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their serviceman's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such
notification from the Department. Such refund shall be paid by
the State Treasurer out of the home rule county retailers'
occupation tax fund or the Local Government Aviation Trust
Fund, as appropriate.

Except as otherwise provided in this paragraph, the
Department shall forthwith pay over to the State Treasurer, ex
officio, as trustee, all taxes and penalties collected
hereunder for deposit into the Home Rule County Retailers'
Occupation Tax Fund. Taxes and penalties collected on aviation
fuel sold on or after December 1, 2019, shall be immediately
paid over by the Department to the State Treasurer, ex
officio, as trustee, for deposit into the Local Government
Aviation Trust Fund. The Department shall only pay moneys into
the Local Government Aviation Trust Fund under this Section
for so long as the revenue use requirements of 49 U.S.C.
47107(b) and 49 U.S.C. 47133 are binding on the county.

As soon as possible after the first day of each month,
beginning January 1, 2011, upon certification of the
Department of Revenue, the Comptroller shall order
transferred, and the Treasurer shall transfer, to the STAR
Bonds Revenue Fund the local sales tax increment, as defined
in the Innovation Development and Economy Act, collected under
this Section during the second preceding calendar month for
sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund,
on or before the 25th day of each calendar month, the
Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named counties, the counties to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

In addition to the disbursement required by the preceding
paragraph, an allocation shall be made in each year to each county which received more than $500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a
change in the rate thereof shall be adopted and a certified
copy thereof filed with the Department on or before the first
day of July, whereupon the Department shall proceed to
administer and enforce this Section as of the first day of
October next following such adoption and filing. Beginning
January 1, 1993, an ordinance or resolution imposing or
discontinuing the tax hereunder or effecting a change in the
rate thereof shall be adopted and a certified copy thereof
filed with the Department on or before the first day of
October, whereupon the Department shall proceed to administer
and enforce this Section as of the first day of January next
following such adoption and filing. Beginning April 1, 1998,
an ordinance or resolution imposing or discontinuing the tax
hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with
the Department on or before the first day of April, whereupon
the Department shall proceed to administer and enforce this
Section as of the first day of July next following the adoption
and filing; or (ii) be adopted and a certified copy thereof
filed with the Department on or before the first day of
October, whereupon the Department shall proceed to administer
and enforce this Section as of the first day of January next
following the adoption and filing.

This Section shall be known and may be cited as the Home
Rule County Service Occupation Tax Law.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
Section 60-45. The Illinois Municipal Code is amended by changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6, 8-11-1.7, 8-11-5, and 11-74.3-6 as follows:

(65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax Act. The corporate authorities of a home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the municipality on the gross receipts from these sales made in the course of such business. If imposed, the tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements...
for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality. The changes made to this Section by this amendatory Act of the 101st General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule municipality under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the State Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the
Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-5 of this Act.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.
Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the home rule municipal retailers' occupation tax fund or the Local Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined
in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the
time of each monthly disbursement to the municipalities, shall
prepare and certify to the State Comptroller the amount to be
transferred into the Tax Compliance and Administration Fund
under this Section. Within 10 days after receipt by the
Comptroller of the disbursement certification to the
municipalities and the Tax Compliance and Administration Fund
provided for in this Section to be given to the Comptroller by
the Department, the Comptroller shall cause the orders to be
drawn for the respective amounts in accordance with the
directions contained in the certification.

In addition to the disbursement required by the preceding
paragraph and in order to mitigate delays caused by
distribution procedures, an allocation shall, if requested, be
made within 10 days after January 14, 1991, and in November of
1991 and each year thereafter, to each municipality that
received more than $500,000 during the preceding fiscal year,
(July 1 through June 30) whether collected by the municipality
or disbursed by the Department as required by this Section.
Within 10 days after January 14, 1991, participating
municipalities shall notify the Department in writing of their
intent to participate. In addition, for the initial
distribution, participating municipalities shall certify to
the Department the amounts collected by the municipality for
each month under its home rule occupation and service
occupation tax during the period July 1, 1989 through June 30,
1990. The allocation within 10 days after January 14, 1991,
shall be in an amount equal to the monthly average of these amounts, excluding the 2 months of highest receipts. The monthly average for the period of July 1, 1990 through June 30, 1991 will be determined as follows: the amounts collected by the municipality under its home rule occupation and service occupation tax during the period of July 1, 1990 through September 30, 1990, plus amounts collected by the Department and paid to such municipality through June 30, 1991, excluding the 2 months of highest receipts. The monthly average for each subsequent period of July 1 through June 30 shall be an amount equal to the monthly distribution made to each such municipality under the preceding paragraph during this period, excluding the 2 months of highest receipts. The distribution made in November 1991 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding period of July 1 through June 30. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the
sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following the adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing. However, a municipality located in a
county with a population in excess of 3,000,000 that elected
to become a home rule unit at the general primary election in
1994 may adopt an ordinance or resolution imposing the tax
under this Section and file a certified copy of the ordinance
or resolution with the Department on or before July 1, 1994.
The Department shall then proceed to administer and enforce
this Section as of October 1, 1994. Beginning April 1, 1998, an
ordinance or resolution imposing or discontinuing the tax
hereunder or effecting a change in the rate thereof shall
either (i) be adopted and a certified copy thereof filed with
the Department on or before the first day of April, whereupon
the Department shall proceed to administer and enforce this
Section as of the first day of July next following the adoption
and filing; or (ii) be adopted and a certified copy thereof
filed with the Department on or before the first day of
October, whereupon the Department shall proceed to administer
and enforce this Section as of the first day of January next
following the adoption and filing.

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

Any unobligated balance remaining in the Municipal
Retailers' Occupation Tax Fund on December 31, 1989, which
fund was abolished by Public Act 85-1135, and all receipts of
municipal tax as a result of audits of liability periods prior
to January 1, 1990, shall be paid into the Local Government Tax
Fund for distribution as provided by this Section prior to the
enactment of Public Act 85-1135. All receipts of municipal tax
as a result of an assessment not arising from an audit, for
liability periods prior to January 1, 1990, shall be paid into
the Local Government Tax Fund for distribution before July 1,
1990, as provided by this Section prior to the enactment of
Public Act 85-1135; and on and after July 1, 1990, all such
receipts shall be distributed as provided in Section 6z-18 of
the State Finance Act.

As used in this Section, "municipal" and "municipality"
means a city, village or incorporated town, including an
incorporated town that has superseded a civil township.

This Section shall be known and may be cited as the Home
(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
7-12-19; 101-604, eff. 12-13-19.)

(65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)
Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
Occupation Tax Act. The corporate authorities of a non-home
rule municipality may impose a tax upon all persons engaged in
the business of selling tangible personal property, other than
on an item of tangible personal property which is titled and
registered by an agency of this State's Government, at retail
in the municipality for expenditure on public infrastructure
or for property tax relief or both as defined in Section
8-11-1.2 if approved by referendum as provided in Section
8-11-1.1, of the gross receipts from such sales made in the
course of such business. If the tax is approved by referendum
on or after July 14, 2010 (the effective date of Public Act
96-1057), the corporate authorities of a non-home rule
municipality may, until July 1, 2030, use the proceeds of the
tax for expenditure on municipal operations, in addition to or
in lieu of any expenditure on public infrastructure or for
property tax relief. The tax imposed may not be more than 1%
and may be imposed only in 1/4% increments. The tax may not be
imposed on tangible personal property taxed at the 1% rate
under the Retailers' Occupation Tax Act (or at the 0% rate
imposed under this amendatory Act of the 102nd General
Assembly). Beginning December 1, 2019, this tax is not imposed
on sales of aviation fuel unless the tax revenue is expended
for airport-related purposes. If a municipality does not have
an airport-related purpose to which it dedicates aviation fuel
tax revenue, then aviation fuel is excluded from the tax. Each
municipality must comply with the certification requirements
for airport-related purposes under Section 2-22 of the
Retailers' Occupation Tax Act. For purposes of this Section,
"airport-related purposes" has the meaning ascribed in Section
6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit such retailer to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of
tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth herein.

No municipality may impose a tax under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.4 of this Code.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the non-home rule municipal
Except as otherwise provided, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Non-Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities,
the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts which were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount which the Department determines is necessary to offset any amounts which were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by
the Department, the Comptroller shall cause the orders to be
drawn for the respective amounts in accordance with the
directions contained in such certification.

For the purpose of determining the local governmental unit
whose tax is applicable, a retail sale, by a producer of coal
or other mineral mined in Illinois, is a sale at retail at the
place where the coal or other mineral mined in Illinois is
extracted from the earth. This paragraph does not apply to
coal or other mineral when it is delivered or shipped by the
seller to the purchaser at a point outside Illinois so that the
sale is exempt under the Federal Constitution as a sale in
interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a
municipality to impose a tax upon the privilege of engaging in
any business which under the constitution of the United States
may not be made the subject of taxation by this State.

When certifying the amount of a monthly disbursement to a
municipality under this Section, the Department shall increase
or decrease such amount by an amount necessary to offset any
misallocation of previous disbursements. The offset amount
shall be the amount erroneously disbursed within the previous
6 months from the time a misallocation is discovered.

The Department of Revenue shall implement Public Act
91-649 so as to collect the tax on and after January 1, 2002.

As used in this Section, "municipal" and "municipality"
mean a city, village, or incorporated town, including an
incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the Non-Home Rule Municipal Retailers' Occupation Tax Act.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-47, eff. 1-1-20; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

(65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation Tax Act. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged, in such municipality, in the business of making sales of service for expenditure on public infrastructure or for property tax relief or both as defined in Section 8-11-1.2 if approved by referendum as provided in Section 8-11-1.1, of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. If the tax is approved by referendum on or after July 14, 2010 (the effective date of Public Act 96-1057), the corporate authorities of a non-home rule municipality may, until December 31, 2020, use the proceeds of the tax for expenditure on municipal operations, in addition to or in lieu of any expenditure on public infrastructure or for property tax relief. The tax imposed may not be more than 1% and may be imposed only in 1/4% increments. The tax may not be imposed on
tangible personal property taxed at the 1% rate under the Service Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section;
to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing municipality), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and
Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No municipality may impose a tax under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.3 of this Code.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their serviceman's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the municipal retailers' occupation tax fund or the Local Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the municipal retailers' occupation
tax fund. Taxes and penalties collected on aviation fuel sold
on or after December 1, 2019, shall be immediately paid over by
the Department to the State Treasurer, ex officio, as trustee,
for deposit into the Local Government Aviation Trust Fund. The
Department shall only pay moneys into the Local Government
Aviation Trust Fund under this Section for so long as the
revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
47133 are binding on the municipality.

As soon as possible after the first day of each month,
beginning January 1, 2011, upon certification of the
Department of Revenue, the Comptroller shall order
transferred, and the Treasurer shall transfer, to the STAR
Bonds Revenue Fund the local sales tax increment, as defined
in the Innovation Development and Economy Act, collected under
this Section during the second preceding calendar month for
sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund,
on or before the 25th day of each calendar month, the
Department shall prepare and certify to the Comptroller the
disbursement of stated sums of money to named municipalities,
the municipalities to be those from which suppliers and
servicemen have paid taxes or penalties hereunder to the
Department during the second preceding calendar month. The
amount to be paid to each municipality shall be the amount (not
including credit memoranda and not including taxes and
penalties collected on aviation fuel sold on or after December
1, 2019) collected hereunder during the second preceding
calendar month by the Department, and not including an amount
equal to the amount of refunds made during the second
preceding calendar month by the Department on behalf of such
municipality, and not including any amounts that are
transferred to the STAR Bonds Revenue Fund, less 1.5% of the
remainder, which the Department shall transfer into the Tax
Compliance and Administration Fund. The Department, at the
time of each monthly disbursement to the municipalities, shall
prepare and certify to the State Comptroller the amount to be
transferred into the Tax Compliance and Administration Fund
under this Section. Within 10 days after receipt, by the
Comptroller, of the disbursement certification to the
municipalities, the General Revenue Fund, and the Tax
Compliance and Administration Fund provided for in this
Section to be given to the Comptroller by the Department, the
Comptroller shall cause the orders to be drawn for the
respective amounts in accordance with the directions contained
in such certification.

The Department of Revenue shall implement Public Act
91-649 so as to collect the tax on and after January 1, 2002.

Nothing in this Section shall be construed to authorize a
municipality to impose a tax upon the privilege of engaging in
any business which under the constitution of the United States
may not be made the subject of taxation by this State.

As used in this Section, "municipal" or "municipality"
means or refers to a city, village or incorporated town,
including an incorporated town which has superseded a civil
township.

This Section shall be known and may be cited as the "Non-Home Rule Municipal Service Occupation Tax Act".
(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
7-12-19; 101-604, eff. 12-13-19.)

(65 ILCS 5/8-11-1.6)

Sec. 8-11-1.6. Non-home rule municipal retailers' occupation tax; municipalities between 20,000 and 25,000. The corporate authorities of a non-home rule municipality with a population of more than 20,000 but less than 25,000 that has, prior to January 1, 1987, established a Redevelopment Project Area that has been certified as a State Sales Tax Boundary and has issued bonds or otherwise incurred indebtedness to pay for costs in excess of $5,000,000, which is secured in part by a tax increment allocation fund, in accordance with the provisions of Division 11-74.4 of this Code may, by passage of an ordinance, impose a tax upon all persons engaged in the business of selling tangible personal property, other than on an item of tangible personal property that is titled and registered by an agency of this State's Government, at retail in the municipality. This tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers'
Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality. If imposed, the tax shall only be imposed in .25% increments of the gross receipts from such sales made in the course of business. Any tax imposed by a municipality under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. An ordinance imposing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. The certificate of registration that is issued by the
Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted under this Section without registering separately with the Department under the ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section, to collect all taxes and penalties due hereunder, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as
if those provisions were set forth herein.

A tax may not be imposed by a municipality under this
Section unless the municipality also imposes a tax at the same
rate under Section 8-11-1.7 of this Act.

Persons subject to any tax imposed under the authority
granted in this Section may reimburse themselves for their
seller's tax liability hereunder by separately stating the tax
as an additional charge, which charge may be stated in
combination, in a single amount, with State tax which sellers
are required to collect under the Use Tax Act, pursuant to such
bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be
made under this Section to a claimant, instead of issuing a
credit memorandum, the Department shall notify the State
Comptroller, who shall cause the order to be drawn for the
amount specified, and to the person named in the notification
from the Department. The refund shall be paid by the State
Treasurer out of the Non-Home Rule Municipal Retailers'
Occupation Tax Fund, which is hereby created or the Local
Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, the
Department shall forthwith pay over to the State Treasurer, ex
officio, as trustee, all taxes and penalties collected
hereunder for deposit into the Non-Home Rule Municipal
Retailers' Occupation Tax Fund. Taxes and penalties collected
on aviation fuel sold on or after December 1, 2019, shall be
immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the
Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is
extracted from the earth. This paragraph does not apply to
cell or other mineral when it is delivered or shipped by the
seller to the purchaser at a point outside Illinois so that the
sale is exempt under the federal Constitution as a sale in
interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a
municipality to impose a tax upon the privilege of engaging in
any business which under the constitution of the United States
may not be made the subject of taxation by this State.

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

As used in this Section, "municipal" and "municipality"
means a city, village, or incorporated town, including an
incorporated town that has superseded a civil township.
(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.
6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

(65 ILCS 5/8-11-1.7)

Sec. 8-11-1.7. Non-home rule municipal service occupation
tax; municipalities between 20,000 and 25,000. The corporate
authorities of a non-home rule municipality with a population
of more than 20,000 but less than 25,000 as determined by the last preceding decennial census that has, prior to January 1, 1987, established a Redevelopment Project Area that has been certified as a State Sales Tax Boundary and has issued bonds or otherwise incurred indebtedness to pay for costs in excess of $5,000,000, which is secured in part by a tax increment allocation fund, in accordance with the provisions of Division 11-74.4 of this Code may, by passage of an ordinance, impose a tax upon all persons engaged in the municipality in the business of making sales of service. If imposed, the tax shall only be imposed in .25% increments of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. This tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section
6z-20.2 of the State Finance Act. This exclusion for aviation
fuel only applies for so long as the revenue use requirements
of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
municipality. The tax imposed by a municipality under this
Section and all civil penalties that may be assessed as an
incident thereof shall be collected and enforced by the State
Department of Revenue. An ordinance imposing a tax hereunder
or effecting a change in the rate thereof shall be adopted and
a certified copy thereof filed with the Department on or
before the first day of October, whereupon the Department
shall proceed to administer and enforce this Section as of the
first day of January next following such adoption and filing.
The certificate of registration that is issued by the
Department to a retailer under the Retailers' Occupation Tax
Act or under the Service Occupation Tax Act shall permit the
registrant to engage in a business that is taxable under any
ordinance or resolution enacted under this Section without
registering separately with the Department under the ordinance
or resolution or under this Section. The Department shall have
full power to administer and enforce this Section, to collect
all taxes and penalties due hereunder, to dispose of taxes and
penalties so collected in a manner hereinafter provided, and
to determine all rights to credit memoranda arising on account
of the erroneous payment of tax or penalty hereunder. In the
administration of and compliance with this Section, the
Department and persons who are subject to this Section shall
have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing municipality), the first paragraph of Sections 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

A tax may not be imposed by a municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.6 of this Act.

Person subject to any tax imposed under the authority
granted in this Section may reimburse themselves for their servicemen's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, under such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. The refund shall be paid by the State Treasurer out of the Non-Home Rule Municipal Retailers' Occupation Tax Fund or the Local Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Non-Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under
this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are
transferred to the STAR Bonds Revenue Fund, less 1.5% of the
remainder, which the Department shall transfer into the Tax
Compliance and Administration Fund. The Department, at the
time of each monthly disbursement to the municipalities, shall
prepare and certify to the State Comptroller the amount to be
transferred into the Tax Compliance and Administration Fund
under this Section. Within 10 days after receipt by the
Comptroller of the disbursement certification to the
municipalities, the Tax Compliance and Administration Fund,
and the General Revenue Fund, provided for in this Section to
be given to the Comptroller by the Department, the Comptroller
shall cause the orders to be drawn for the respective amounts
in accordance with the directions contained in the
certification.

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

Nothing in this Section shall be construed to authorize a
municipality to impose a tax upon the privilege of engaging in
any business which under the constitution of the United States
may not be made the subject of taxation by this State.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.)
Sec. 8-11-5. Home Rule Municipal Service Occupation Tax Act. The corporate authorities of a home rule municipality may impose a tax upon all persons engaged, in such municipality, in the business of making sales of service at the same rate of tax imposed pursuant to Section 8-11-1, of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. If imposed, such tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Retailers' Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019, this tax may not be imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel shall be excluded from tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act.
This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State. The changes made to this Section by this amendatory Act of the 101st General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same
conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing municipality), the first paragraph of Section 15, 16, 17 (except that credit memoranda issued hereunder may not be used to discharge any State tax liability), 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule municipality pursuant to this Section unless such municipality also imposes a tax at the same rate pursuant to Section 8-11-1 of this Act.

Persons subject to any tax imposed pursuant to the
authority granted in this Section may reimburse themselves for
their serviceman's tax liability hereunder by separately
stating such tax as an additional charge, which charge may be
stated in combination, in a single amount, with State tax
which servicemen are authorized to collect under the Service
Use Tax Act, pursuant to such bracket schedules as the
Department may prescribe.

Whenever the Department determines that a refund should be
made under this Section to a claimant instead of issuing
credit memorandum, the Department shall notify the State
Comptroller, who shall cause the order to be drawn for the
amount specified, and to the person named, in such
notification from the Department. Such refund shall be paid by
the State Treasurer out of the home rule municipal retailers'
occupation tax fund or the Local Government Aviation Trust
Fund, as appropriate.

Except as otherwise provided in this paragraph, the
Department shall forthwith pay over to the State Treasurer, ex
officio, as trustee, all taxes and penalties collected
hereunder for deposit into the Home Rule Municipal Retailers' 
Occupation Tax Fund. Taxes and penalties collected on aviation
fuel sold on or after December 1, 2019, shall be immediately
paid over by the Department to the State Treasurer, ex
officio, as trustee, for deposit into the Local Government
Aviation Trust Fund. The Department shall only pay moneys into
the Local Government Aviation Trust Fund under this Section
for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the
remainder, which the Department shall transfer into the Tax
Compliance and Administration Fund. The Department, at the
time of each monthly disbursement to the municipalities, shall
prepare and certify to the State Comptroller the amount to be
transferred into the Tax Compliance and Administration Fund
under this Section. Within 10 days after receipt, by the
Comptroller, of the disbursement certification to the
municipalities and the Tax Compliance and Administration Fund
provided for in this Section to be given to the Comptroller by
the Department, the Comptroller shall cause the orders to be
drawn for the respective amounts in accordance with the
directions contained in such certification.

In addition to the disbursement required by the preceding
paragraph and in order to mitigate delays caused by
distribution procedures, an allocation shall, if requested, be
made within 10 days after January 14, 1991, and in November of
1991 and each year thereafter, to each municipality that
received more than $500,000 during the preceding fiscal year,
(July 1 through June 30) whether collected by the municipality
or disbursed by the Department as required by this Section.
Within 10 days after January 14, 1991, participating
municipalities shall notify the Department in writing of their
intent to participate. In addition, for the initial
distribution, participating municipalities shall certify to
the Department the amounts collected by the municipality for
each month under its home rule occupation and service
occupation tax during the period July 1, 1989 through June 30, 1990. The allocation within 10 days after January 14, 1991, shall be in an amount equal to the monthly average of these amounts, excluding the 2 months of highest receipts. Monthly average for the period of July 1, 1990 through June 30, 1991 will be determined as follows: the amounts collected by the municipality under its home rule occupation and service occupation tax during the period of July 1, 1990 through September 30, 1990, plus amounts collected by the Department and paid to such municipality through June 30, 1991, excluding the 2 months of highest receipts. The monthly average for each subsequent period of July 1 through June 30 shall be an amount equal to the monthly distribution made to each such municipality under the preceding paragraph during this period, excluding the 2 months of highest receipts. The distribution made in November 1991 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding period of July 1 through June 30. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax
hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. However, a municipality located in a county with a population in excess of 3,000,000 that elected to become a home rule unit at the general primary election in 1994 may adopt an ordinance or resolution imposing the tax under this Section and file a certified copy of the ordinance or resolution with the Department on or before July 1, 1994. The Department shall then proceed to administer and enforce this Section as of October 1, 1994. Beginning April 1,
1998, an ordinance or resolution imposing or discontinuing the
tax hereunder or effecting a change in the rate thereof shall
either (i) be adopted and a certified copy thereof filed with
the Department on or before the first day of April, whereupon
the Department shall proceed to administer and enforce this
Section as of the first day of July next following the adoption
and filing; or (ii) be adopted and a certified copy thereof
filed with the Department on or before the first day of
October, whereupon the Department shall proceed to administer
and enforce this Section as of the first day of January next
following the adoption and filing.

Any unobligated balance remaining in the Municipal
Retailers' Occupation Tax Fund on December 31, 1989, which
fund was abolished by Public Act 85-1135, and all receipts of
municipal tax as a result of audits of liability periods prior
to January 1, 1990, shall be paid into the Local Government Tax
Fund, for distribution as provided by this Section prior to
the enactment of Public Act 85-1135. All receipts of municipal
tax as a result of an assessment not arising from an audit, for
liability periods prior to January 1, 1990, shall be paid into
the Local Government Tax Fund for distribution before July 1,
1990, as provided by this Section prior to the enactment of
Public Act 85-1135, and on and after July 1, 1990, all such
receipts shall be distributed as provided in Section 6z-18 of
the State Finance Act.

As used in this Section, "municipal" and "municipality"
means a city, village or incorporated town, including an
incorporated town which has superseded a civil township.
This Section shall be known and may be cited as the Home
Rule Municipal Service Occupation Tax Act.
(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
7-12-19; 101-604, eff. 12-13-19.)

(65 ILCS 5/11-74.3-6)
Sec. 11-74.3-6. Business district revenue and obligations;
business district tax allocation fund.
(a) If the corporate authorities of a municipality have
approved a business district plan, have designated a business
district, and have elected to impose a tax by ordinance
pursuant to subsection (10) or (11) of Section 11-74.3-3, then
each year after the date of the approval of the ordinance but
terminating upon the date all business district project costs
and all obligations paying or reimbursing business district
project costs, if any, have been paid, but in no event later
than the dissolution date, all amounts generated by the
retailers' occupation tax and service occupation tax shall be
collected and the tax shall be enforced by the Department of
Revenue in the same manner as all retailers' occupation taxes
and service occupation taxes imposed in the municipality
imposing the tax and all amounts generated by the hotel
operators' occupation tax shall be collected and the tax shall
be enforced by the municipality in the same manner as all hotel
operators' occupation taxes imposed in the municipality
imposing the tax. The corporate authorities of the
municipality shall deposit the proceeds of the taxes imposed
under subsections (10) and (11) of Section 11-74.3-3 into a
special fund of the municipality called the "[Name of]
Business District Tax Allocation Fund" for the purpose of
paying or reimbursing business district project costs and
obligations incurred in the payment of those costs.

(b) The corporate authorities of a municipality that has
designated a business district under this Law may, by
ordinance, impose a Business District Retailers' Occupation
Tax upon all persons engaged in the business of selling
tangible personal property, other than an item of tangible
personal property titled or registered with an agency of this
State's government, at retail in the business district at a
rate not to exceed 1% of the gross receipts from the sales made
in the course of such business, to be imposed only in 0.25%
increments. The tax may not be imposed on tangible personal
property taxed at the rate of 1% under the Retailers' Occu-
ination Tax Act (or at the 0% rate imposed under this
amendatory Act of the 102nd General Assembly). Beginning
December 1, 2019 and through December 31, 2020, this tax is not
imposed on sales of aviation fuel unless the tax revenue is
expended for airport-related purposes. If the District does
not have an airport-related purpose to which it dedicates
aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection; to collect all taxes and penalties due under this subsection in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with, this subsection, the Department and persons who are subject to this subsection shall have the same rights,
remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a through 1o, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under this subsection may reimburse themselves for their seller's tax liability under this subsection by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the
amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the business district retailers' occupation tax fund or the Local Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes, penalties, and interest collected under this subsection for deposit into the business district retailers' occupation tax fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this subsection during the second preceding calendar month for sales within a STAR bond district.
After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities from the business district retailers' occupation tax fund, the municipalities to be those from which retailers have paid taxes or penalties under this subsection to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this subsection during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2019), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this subsection, on behalf of such municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the
municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities provided for in this subsection to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification. The proceeds of the tax paid to municipalities under this subsection shall be deposited into the Business District Tax Allocation Fund by the municipality.

An ordinance imposing or discontinuing the tax under this subsection or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department, if all other requirements of this subsection are met, shall proceed to administer and enforce this subsection as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon, if all other requirements of this subsection are met, the Department shall proceed to administer and enforce this subsection as of the first day of January next following the adoption and filing.

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of the tax under this subsection, until the municipality also
provides, in the manner prescribed by the Department, the boundaries of the business district and each address in the business district in such a way that the Department can determine by its address whether a business is located in the business district. The municipality must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a business district or address change, addition, or deletion until the municipality reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The municipality must provide this boundary change information or address change, addition, or deletion to the Department on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change beginning on the following January 1. The retailers in the business district shall be responsible for charging the tax imposed under this subsection. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this subsection, both the
Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the municipality.

A municipality that imposes the tax under this subsection must submit to the Department of Revenue any other information as the Department may require for the administration and enforcement of the tax.

When certifying the amount of a monthly disbursement to a municipality under this subsection, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Nothing in this subsection shall be construed to authorize the municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsection (c) of this Section.

(c) If a tax has been imposed under subsection (b), a Business District Service Occupation Tax shall also be imposed upon all persons engaged, in the business district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the business district, either in the form of
tangible personal property or in the form of real estate as an
incident to a sale of service. The tax shall be imposed at the
same rate as the tax imposed in subsection (b) and shall not
exceed 1% of the selling price of tangible personal property
so transferred within the business district, to be imposed
only in 0.25% increments. The tax may not be imposed on
tangible personal property taxed at the 1% rate under the
Service Occupation Tax Act (or at the 0% rate imposed under
this amendatory Act of the 102nd General Assembly). Beginning
December 1, 2019, this tax is not imposed on sales of aviation
fuel unless the tax revenue is expended for airport-related
purposes. If the District does not have an airport-related
purpose to which it dedicates aviation fuel tax revenue, then
aviation fuel is excluded from the tax. Each municipality must
comply with the certification requirements for airport-related
purposes under Section 2-22 of the Retailers' Occupation Tax
Act. For purposes of this Act, "airport-related purposes" has
the meaning ascribed in Section 6z-20.2 of the State Finance
Act. Beginning January 1, 2021, this tax is not imposed on
sales of aviation fuel for so long as the revenue use
requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
binding on the District.

The tax imposed under this subsection and all civil
penalties that may be assessed as an incident thereof shall be
collected and enforced by the Department of Revenue. The
certificate of registration which is issued by the Department
to a retailer under the Retailers' Occupation Tax Act or under
the Service Occupation Tax Act shall permit such registrant to
engage in a business which is taxable under any ordinance or
resolution enacted pursuant to this subsection without
registering separately with the Department under such
ordinance or resolution or under this subsection. The
Department of Revenue shall have full power to administer and
enforce this subsection; to collect all taxes and penalties
due under this subsection; to dispose of taxes and penalties
so collected in the manner hereinafter provided; and to
determine all rights to credit memoranda arising on account of
the erroneous payment of tax or penalty under this subsection.
In the administration of, and compliance with this subsection,
the Department and persons who are subject to this subsection
shall have the same rights, remedies, privileges, immunities,
powers and duties, and be subject to the same conditions,
restrictions, limitations, penalties, exclusions, exemptions,
and definitions of terms and employ the same modes of
procedure as are prescribed in Sections 2, 2a through 2d, 3
through 3-50 (in respect to all provisions therein other than
the State rate of tax), 4 (except that the reference to the
State shall be to the business district), 5, 7, 8 (except that
the jurisdiction to which the tax shall be a debt to the extent
indicated in that Section 8 shall be the municipality), 9
(except as to the disposition of taxes and penalties
collected, and except that the returned merchandise credit for
this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the municipality), the first paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the business district retailers'
occupation tax fund or the Local Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes, penalties, and interest collected under this subsection for deposit into the business district retailers' occupation tax fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this subsection during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the
disbursement of stated sums of money to named municipalities from the business district retailers' occupation tax fund, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties under this subsection to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this subsection during the second preceding calendar month by the Department, less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2019), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this subsection, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities, provided for in this subsection to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification. The proceeds of the tax paid to
municipalities under this subsection shall be deposited into
the Business District Tax Allocation Fund by the municipality.

An ordinance imposing or discontinuing the tax under this
subsection or effecting a change in the rate thereof shall
either (i) be adopted and a certified copy thereof filed with
the Department on or before the first day of April, whereupon
the Department, if all other requirements of this subsection
are met, shall proceed to administer and enforce this
subsection as of the first day of July next following the
adoption and filing; or (ii) be adopted and a certified copy
thereof filed with the Department on or before the first day of
October, whereupon, if all other conditions of this subsection
are met, the Department shall proceed to administer and
enforce this subsection as of the first day of January next
following the adoption and filing.

The Department of Revenue shall not administer or enforce
an ordinance imposing, discontinuing, or changing the rate of
the tax under this subsection, until the municipality also
provides, in the manner prescribed by the Department, the
boundaries of the business district in such a way that the
Department can determine by its address whether a business is
located in the business district. The municipality must
provide this boundary and address information to the
Department on or before April 1 for administration and
enforcement of the tax under this subsection by the Department
beginning on the following July 1 and on or before October 1
for administration and enforcement of the tax under this subsection by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a business district or address change, addition, or deletion until the municipality reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The municipality must provide this boundary change information or address change, addition, or deletion to the Department on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change beginning on the following January 1. The retailers in the business district shall be responsible for charging the tax imposed under this subsection. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this subsection, both the Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the municipality.

A municipality that imposes the tax under this subsection must submit to the Department of Revenue any other information as the Department may require for the administration and enforcement of the tax.

Nothing in this subsection shall be construed to authorize
the municipality to impose a tax upon the privilege of
engaging in any business which under the Constitution of the
United States may not be made the subject of taxation by the
State.

If a tax is imposed under this subsection (c), a tax shall
also be imposed under subsection (b) of this Section.

(d) By ordinance, a municipality that has designated a
business district under this Law may impose an occupation tax
upon all persons engaged in the business district in the
business of renting, leasing, or letting rooms in a hotel, as
defined in the Hotel Operators' Occupation Tax Act, at a rate
not to exceed 1% of the gross rental receipts from the renting,
leasing, or letting of hotel rooms within the business
district, to be imposed only in 0.25% increments, excluding,
however, from gross rental receipts the proceeds of renting,
leasing, or letting to permanent residents of a hotel, as
defined in the Hotel Operators' Occupation Tax Act, and
proceeds from the tax imposed under subsection (c) of Section
13 of the Metropolitan Pier and Exposition Authority Act.

The tax imposed by the municipality under this subsection
and all civil penalties that may be assessed as an incident to
that tax shall be collected and enforced by the municipality
imposing the tax. The municipality shall have full power to
administer and enforce this subsection, to collect all taxes
and penalties due under this subsection, to dispose of taxes
and penalties so collected in the manner provided in this
subsection, and to determine all rights to credit memoranda
arising on account of the erroneous payment of tax or penalty
under this subsection. In the administration of and compliance
with this subsection, the municipality and persons who are
subject to this subsection shall have the same rights,
remedies, privileges, immunities, powers, and duties, shall be
subject to the same conditions, restrictions, limitations,
penalties, and definitions of terms, and shall employ the same
modes of procedure as are employed with respect to a tax
adopted by the municipality under Section 8-3-14 of this Code.

Persons subject to any tax imposed under the authority
granted in this subsection may reimburse themselves for their
tax liability for that tax by separately stating that tax as an
additional charge, which charge may be stated in combination,
in a single amount, with State taxes imposed under the Hotel
Operators' Occupation Tax Act, and with any other tax.

Nothing in this subsection shall be construed to authorize
a municipality to impose a tax upon the privilege of engaging
in any business which under the Constitution of the United
States may not be made the subject of taxation by this State.

The proceeds of the tax imposed under this subsection
shall be deposited into the Business District Tax Allocation
Fund.

(e) Obligations secured by the Business District Tax
Allocation Fund may be issued to provide for the payment or
reimbursement of business district project costs. Those
obligations, when so issued, shall be retired in the manner
provided in the ordinance authorizing the issuance of those
obligations by the receipts of taxes imposed pursuant to
subsections (10) and (11) of Section 11-74.3-3 and by other
revenue designated or pledged by the municipality. A
municipality may in the ordinance pledge, for any period of
time up to and including the dissolution date, all or any part
of the funds in and to be deposited in the Business District
Tax Allocation Fund to the payment of business district
project costs and obligations. Whenever a municipality pledges
all of the funds to the credit of a business district tax
allocation fund to secure obligations issued or to be issued
to pay or reimburse business district project costs, the
municipality may specifically provide that funds remaining to
the credit of such business district tax allocation fund after
the payment of such obligations shall be accounted for
annually and shall be deemed to be "surplus" funds, and such
"surplus" funds shall be expended by the municipality for any
business district project cost as approved in the business
district plan. Whenever a municipality pledges less than all
of the monies to the credit of a business district tax
allocation fund to secure obligations issued or to be issued
to pay or reimburse business district project costs, the
municipality shall provide that monies to the credit of the
business district tax allocation fund and not subject to such
pledge or otherwise encumbered or required for payment of
contractual obligations for specific business district project costs shall be calculated annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be expended by the municipality for any business district project cost as approved in the business district plan.

No obligation issued pursuant to this Law and secured by a pledge of all or any portion of any revenues received or to be received by the municipality from the imposition of taxes pursuant to subsection (10) of Section 11-74.3-3, shall be deemed to constitute an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such pledge provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes imposed pursuant to subsection (10) of Section 11-74.3-3 and received or to be received by the municipality from the development or redevelopment of properties in the business district.

Without limiting the foregoing in this Section, the municipality may further secure obligations secured by the business district tax allocation fund with a pledge, for a period not greater than the term of the obligations and in any case not longer than the dissolution date, of any part or any combination of the following: (i) net revenues of all or part of any business district project; (ii) taxes levied or imposed by the municipality on any or all property in the municipality, including, specifically, taxes levied or imposed by the municipality in a special service area pursuant to the
Special Service Area Tax Law; (iii) the full faith and credit of the municipality; (iv) a mortgage on part or all of the business district project; or (v) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Such obligations may be issued in one or more series, bear such date or dates, become due at such time or times as therein provided, but in any case not later than (i) 20 years after the date of issue or (ii) the dissolution date, whichever is earlier, bear interest payable at such intervals and at such rate or rates as set forth therein, except as may be limited by applicable law, which rate or rates may be fixed or variable, be in such denominations, be in such form, either coupon, registered, or book-entry, carry such conversion, registration and exchange privileges, be subject to defeasance upon such terms, have such rank or priority, be executed in such manner, be payable in such medium or payment at such place or places within or without the State, make provision for a corporate trustee within or without the State with respect to such obligations, prescribe the rights, powers, and duties thereof to be exercised for the benefit of the municipality and the benefit of the owners of such obligations, provide for the holding in trust, investment, and use of moneys, funds, and accounts held under an ordinance, provide for assignment of and direct payment of the moneys to pay such obligations or to be deposited into such funds or accounts directly to such
trustee, be subject to such terms of redemption with or
without premium, and be sold at such price, all as the
corporate authorities shall determine. No referendum approval
of the electors shall be required as a condition to the
issuance of obligations pursuant to this Law except as
provided in this Section.

In the event the municipality authorizes the issuance of
obligations pursuant to the authority of this Law secured by
the full faith and credit of the municipality, or pledges ad
valorem taxes pursuant to this subsection, which obligations
are other than obligations which may be issued under home rule
powers provided by Section 6 of Article VII of the Illinois
Constitution or which ad valorem taxes are other than ad
valorem taxes which may be pledged under home rule powers
provided by Section 6 of Article VII of the Illinois
Constitution or which are levied in a special service area
pursuant to the Special Service Area Tax Law, the ordinance
authorizing the issuance of those obligations or pledging
those taxes shall be published within 10 days after the
ordinance has been adopted, in a newspaper having a general
circulation within the municipality. The publication of the
ordinance shall be accompanied by a notice of (i) the specific
number of voters required to sign a petition requesting the
question of the issuance of the obligations or pledging such
ad valorem taxes to be submitted to the electors; (ii) the time
within which the petition must be filed; and (iii) the date of
the prospective referendum. The municipal clerk shall provide a petition form to any individual requesting one.

If no petition is filed with the municipal clerk, as hereinafter provided in this Section, within 21 days after the publication of the ordinance, the ordinance shall be in effect. However, if within that 21-day period a petition is filed with the municipal clerk, signed by electors numbering not less than 15% of the number of electors voting for the mayor or president at the last general municipal election, asking that the question of issuing obligations using full faith and credit of the municipality as security for the cost of paying or reimbursing business district project costs, or of pledging such ad valorem taxes for the payment of those obligations, or both, be submitted to the electors of the municipality, the municipality shall not be authorized to issue obligations of the municipality using the full faith and credit of the municipality as security or pledging such ad valorem taxes for the payment of those obligations, or both, until the proposition has been submitted to and approved by a majority of the voters voting on the proposition at a regularly scheduled election. The municipality shall certify the proposition to the proper election authorities for submission in accordance with the general election law.

The ordinance authorizing the obligations may provide that the obligations shall contain a recital that they are issued pursuant to this Law, which recital shall be conclusive
evidence of their validity and of the regularity of their
issuance.

In the event the municipality authorizes issuance of
obligations pursuant to this Law secured by the full faith and
credit of the municipality, the ordinance authorizing the
obligations may provide for the levy and collection of a
direct annual tax upon all taxable property within the
municipality sufficient to pay the principal thereof and
interest thereon as it matures, which levy may be in addition
to and exclusive of the maximum of all other taxes authorized
to be levied by the municipality, which levy, however, shall
be abated to the extent that monies from other sources are
available for payment of the obligations and the municipality
certifies the amount of those monies available to the county
clerk.

A certified copy of the ordinance shall be filed with the
county clerk of each county in which any portion of the
municipality is situated, and shall constitute the authority
for the extension and collection of the taxes to be deposited
in the business district tax allocation fund.

A municipality may also issue its obligations to refund,
in whole or in part, obligations theretofore issued by the
municipality under the authority of this Law, whether at or
prior to maturity. However, the last maturity of the refunding
obligations shall not be expressed to mature later than the
dissolution date.
In the event a municipality issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay or reimburse business district project costs, the municipality may, if it has followed the procedures in conformance with this Law, retire those obligations from funds in the business district tax allocation fund in amounts and in such manner as if those obligations had been issued pursuant to the provisions of this Law.

No obligations issued pursuant to this Law shall be regarded as indebtedness of the municipality issuing those obligations or any other taxing district for the purpose of any limitation imposed by law.

Obligations issued pursuant to this Law shall not be subject to the provisions of the Bond Authorization Act.

(f) When business district project costs, including, without limitation, all obligations paying or reimbursing business district project costs have been paid, any surplus funds then remaining in the Business District Tax Allocation Fund shall be distributed to the municipal treasurer for deposit into the general corporate fund of the municipality. Upon payment of all business district project costs and retirement of all obligations paying or reimbursing business district project costs, but in no event more than 23 years after the date of adoption of the ordinance imposing taxes pursuant to subsection (10) or (11) of Section 11-74.3-3, the municipality shall adopt an ordinance immediately rescinding
the taxes imposed pursuant to subsection (10) or (11) of Section 11-74.3-3.

(Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

Section 60-50. The Flood Prevention District Act is amended by changing Section 25 as follows:

(70 ILCS 750/25)

Sec. 25. Flood prevention retailers' and service occupation taxes.

(a) If the Board of Commissioners of a flood prevention district determines that an emergency situation exists regarding levee repair or flood prevention, and upon an ordinance confirming the determination adopted by the affirmative vote of a majority of the members of the county board of the county in which the district is situated, the county may impose a flood prevention retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail within the territory of the district to provide revenue to pay the costs of providing emergency levee repair and flood prevention and to secure the payment of bonds, notes, and other evidences of indebtedness issued under this Act for a period not to exceed 25 years or as required to repay the bonds, notes, and other evidences of indebtedness issued under this Act. The tax rate shall be
0.25% of the gross receipts from all taxable sales made in the course of that business. Beginning December 1, 2019 and through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The County must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection (i) have the same rights, remedies, privileges,
immunities, powers, and duties, (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) shall employ the same modes of procedure as are set forth in Sections 1 through 1o, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination in a single amount with State taxes that sellers are required to collect under the Use Tax Act, under any bracket schedules the Department may prescribe.

If a tax is imposed under this subsection (a), a tax shall also be imposed under subsection (b) of this Section.

(b) If a tax has been imposed under subsection (a), a flood prevention service occupation tax shall also be imposed upon all persons engaged within the territory of the district in
the business of making sales of service, who, as an incident to making the sales of service, transfer tangible personal property, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service to provide revenue to pay the costs of providing emergency levee repair and flood prevention and to secure the payment of bonds, notes, and other evidences of indebtedness issued under this Act for a period not to exceed 25 years or as required to repay the bonds, notes, and other evidences of indebtedness. The tax rate shall be 0.25% of the selling price of all tangible personal property transferred. Beginning December 1, 2019 and through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The County must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be
collected and enforced by the State Department of Revenue. The 
Department shall have full power to administer and enforce 
this subsection; to collect all taxes and penalties due 
hereunder; to dispose of taxes and penalties collected in the 
manner hereinafter provided; and to determine all rights to 
credit memoranda arising on account of the erroneous payment 
of tax or penalty hereunder.

In the administration of and compliance with this 
subsection, the Department and persons who are subject to this 
subsection shall (i) have the same rights, remedies, 
privileges, immunities, powers, and duties, (ii) be subject to 
the same conditions, restrictions, limitations, penalties, and 
definitions of terms, and (iii) employ the same modes of 
procedure as are set forth in Sections 2 (except that the 
reference to State in the definition of supplier maintaining a 
place of business in this State means the district), 2a 
through 2d, 3 through 3-50 (in respect to all provisions 
contained in those Sections other than the State rate of tax), 
4 (except that the reference to the State shall be to the 
district), 5, 7, 8 (except that the jurisdiction to which the 
tax is a debt to the extent indicated in that Section 8 is the 
district), 9 (except as to the disposition of taxes and 
penalties collected, and except that the retailer's discount 
is not allowed for taxes paid on aviation fuel that are subject 
to the revenue use requirements of 49 U.S.C. 47107(b) and 49 
U.S.C. 47133), 10, 11, 12 (except the reference therein to
Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State means the district), Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, that charge may be stated in combination in a single amount with State tax that servicemen are authorized to collect under the Service Use Tax Act, under any bracket schedules the Department may prescribe.

(c) The taxes imposed in subsections (a) and (b) may not be imposed on personal property titled or registered with an agency of the State or on personal property taxed at the 1% rate under the Retailers' Occupation Tax Act and the Service Occupation Tax Act or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly.

(d) Nothing in this Section shall be construed to authorize the district to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(e) The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act or a serviceman under the Service Occupation Tax Act
permits the retailer or serviceman to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section.

(f) Except as otherwise provided, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the Flood Prevention Occupation Tax Fund, which shall be an unappropriated trust fund held outside the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019 and through December 31, 2020, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the counties from which retailers or servicemen have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each county is equal to the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December
1, 2019 and through December 31, 2020) collected from the county under this Section during the second preceding calendar month by the Department, (i) less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2019 and through December 31, 2020), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department in administering and enforcing the provisions of this Section on behalf of the county, (ii) plus an amount that the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body; (iii) less an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; and (iv) less any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county. When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements within the previous 6 months from the time a miscalculation is discovered.

Within 10 days after receipt by the Comptroller from the Department of the disbursement certification to the counties provided for in this Section, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.
If the Department determines that a refund should be made
under this Section to a claimant instead of issuing a credit
memorandum, then the Department shall notify the Comptroller,
who shall cause the order to be drawn for the amount specified
and to the person named in the notification from the
Department. The refund shall be paid by the Treasurer out of
the Flood Prevention Occupation Tax Fund or the Local
Government Aviation Trust Fund, as appropriate.

(g) If a county imposes a tax under this Section, then the
county board shall, by ordinance, discontinue the tax upon the
payment of all indebtedness of the flood prevention district.
The tax shall not be discontinued until all indebtedness of
the District has been paid.

(h) Any ordinance imposing the tax under this Section, or
any ordinance that discontinues the tax, must be certified by
the county clerk and filed with the Illinois Department of
Revenue either (i) on or before the first day of April,
whereupon the Department shall proceed to administer and
enforce the tax or change in the rate as of the first day of
July next following the filing; or (ii) on or before the first
day of October, whereupon the Department shall proceed to
administer and enforce the tax or change in the rate as of the
first day of January next following the filing.

(j) County Flood Prevention Occupation Tax Fund. All
proceeds received by a county from a tax distribution under
this Section must be maintained in a special fund known as the
[name of county] flood prevention occupation tax fund. The county shall, at the direction of the flood prevention district, use moneys in the fund to pay the costs of providing emergency levee repair and flood prevention and to pay bonds, notes, and other evidences of indebtedness issued under this Act.

(k) This Section may be cited as the Flood Prevention Occupation Tax Law.

(Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

Section 60-55. The Metro-East Park and Recreation District Act is amended by changing Section 30 as follows:

(70 ILCS 1605/30)

Sec. 30. Taxes.

(a) The board shall impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the District on the gross receipts from the sales made in the course of business. This tax shall be imposed only at the rate of one-tenth of one per cent.

This additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act (or at the 0% rate imposed under this
amendatory Act of the 102nd General Assembly). Beginning December 1, 2019 and through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel shall be excluded from tax. The board must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District. The tax imposed by the Board under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section. The Department has full power to administer and enforce this Section, to collect all taxes and penalties due under this Section, to dispose of taxes and penalties so collected in the manner provided in this Section, and to determine all rights
to credit memoranda arising on account of the erroneous payment of a tax or penalty under this Section. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions contained in those Sections other than the State rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions relating to transaction returns and quarter monthly payments, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and the Uniform Penalty and Interest Act as if those provisions were set forth in this Section.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their sellers' tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracketed
schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the State Metro-East Park and Recreation District Fund or the Local Government Aviation Trust Fund, as appropriate.

(b) If a tax has been imposed under subsection (a), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the District, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the District as an incident to a sale of service. This tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019 and through December 31, 2020, this tax may not be imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel shall be excluded from tax. The board must comply with the certification requirements for airport-related
purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the District), 2a, 2b, 2c, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference
to the State shall be to the District), 5, 7, 8 (except that
the jurisdiction to which the tax shall be a debt to the extent
indicated in that Section 8 shall be the District), 9 (except
as to the disposition of taxes and penalties collected, and
except that the retailer's discount is not allowed for taxes
paid on aviation fuel that are subject to the revenue use
requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
11, 12 (except the reference therein to Section 2b of the
Retailers' Occupation Tax Act), 13 (except that any reference
to the State shall mean the District), Sections 15, 16, 17, 18,
19 and 20 of the Service Occupation Tax Act and the Uniform
Penalty and Interest Act, as fully as if those provisions were
set forth herein.

Persons subject to any tax imposed under the authority
granted in this subsection may reimburse themselves for their
serviceman's tax liability by separately stating the tax as an
additional charge, which charge may be stated in combination,
in a single amount, with State tax that servicemen are
authorized to collect under the Service Use Tax Act, in
accordance with such bracket schedules as the Department may
prescribe.

Whenever the Department determines that a refund should be
made under this subsection to a claimant instead of issuing a
credit memorandum, the Department shall notify the State
Comptroller, who shall cause the warrant to be drawn for the
amount specified, and to the person named, in the notification
from the Department. The refund shall be paid by the State
Treasurer out of the State Metro-East Park and Recreation
District Fund or the Local Government Aviation Trust Fund, as
appropriate.

Nothing in this subsection shall be construed to authorize
the board to impose a tax upon the privilege of engaging in any
business which under the Constitution of the United States may
not be made the subject of taxation by the State.

(c) Except as otherwise provided in this paragraph, the
Department shall immediately pay over to the State Treasurer,
ex officio, as trustee, all taxes and penalties collected
under this Section to be deposited into the State Metro-East
Park and Recreation District Fund, which shall be an
unappropriated trust fund held outside of the State treasury.
Taxes and penalties collected on aviation fuel sold on or
after December 1, 2019 and through December 31, 2020, shall be
immediately paid over by the Department to the State
Treasurer, ex officio, as trustee, for deposit into the Local
Government Aviation Trust Fund. The Department shall only pay
moneys into the Local Government Aviation Trust Fund under
this Act for so long as the revenue use requirements of 49
U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
District.

As soon as possible after the first day of each month,
beginning January 1, 2011, upon certification of the
Department of Revenue, the Comptroller shall order
transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district. The Department shall make this certification only if the Metro East Park and Recreation District imposes a tax on real property as provided in the definition of "local sales taxes" under the Innovation Development and Economy Act.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money pursuant to Section 35 of this Act to the District from which retailers have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to the District shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019 and through December 31, 2020) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including (i) an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the District, (ii) any amount that the Department determines
is necessary to offset any amounts that were payable to a
different taxing body but were erroneously paid to the
District, (iii) any amounts that are transferred to the STAR
Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the
Department shall transfer into the Tax Compliance and
Administration Fund. The Department, at the time of each
monthly disbursement to the District, shall prepare and
certify to the State Comptroller the amount to be transferred
into the Tax Compliance and Administration Fund under this
subsection. Within 10 days after receipt by the Comptroller of
the disbursement certification to the District and the Tax
Compliance and Administration Fund provided for in this
Section to be given to the Comptroller by the Department, the
Comptroller shall cause the orders to be drawn for the
respective amounts in accordance with directions contained in
the certification.

(d) For the purpose of determining whether a tax
authorized under this Section is applicable, a retail sale by
a producer of coal or another mineral mined in Illinois is a
sale at retail at the place where the coal or other mineral
mined in Illinois is extracted from the earth. This paragraph
does not apply to coal or another mineral when it is delivered
or shipped by the seller to the purchaser at a point outside
Illinois so that the sale is exempt under the United States
Constitution as a sale in interstate or foreign commerce.

(e) Nothing in this Section shall be construed to
authorize the board to impose a tax upon the privilege of
engaging in any business that under the Constitution of the
United States may not be made the subject of taxation by this
State.

(f) An ordinance imposing a tax under this Section or an
ordinance extending the imposition of a tax to an additional
county or counties shall be certified by the board and filed
with the Department of Revenue either (i) on or before the
first day of April, whereupon the Department shall proceed to
administer and enforce the tax as of the first day of July next
following the filing; or (ii) on or before the first day of
October, whereupon the Department shall proceed to administer
and enforce the tax as of the first day of January next
following the filing.

(g) When certifying the amount of a monthly disbursement
to the District under this Section, the Department shall
increase or decrease the amounts by an amount necessary to
offset any misallocation of previous disbursements. The offset
amount shall be the amount erroneously disbursed within the
previous 6 months from the time a misallocation is discovered.
(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
7-12-19; 101-604, eff. 12-13-19.)

Section 60-60. The Regional Transportation Authority Act
is amended by changing Section 4.03 as follows:
Sec. 4.03. Taxes.

(a) In order to carry out any of the powers or purposes of the Authority, the Board may by ordinance adopted with the concurrence of 12 of the then Directors, impose throughout the metropolitan region any or all of the taxes provided in this Section. Except as otherwise provided in this Act, taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes. Nothing in Public Act 95-708 is intended to invalidate any taxes currently imposed by the Authority. The increased vote requirements to impose a tax shall only apply to actions taken after January 1, 2008 (the effective date of Public Act 95-708).

(b) The Board may impose a public transportation tax upon all persons engaged in the metropolitan region in the business of selling at retail motor fuel for operation of motor vehicles upon public highways. The tax shall be at a rate not to exceed 5% of the gross receipts from the sales of motor fuel in the course of the business. As used in this Act, the term "motor fuel" shall have the same meaning as in the Motor Fuel Tax Law. The Board may provide for details of the tax. The
provisions of any tax shall conform, as closely as may be practicable, to the provisions of the Municipal Retailers Occupation Tax Act, including without limitation, conformity to penalties with respect to the tax imposed and as to the powers of the State Department of Revenue to promulgate and enforce rules and regulations relating to the administration and enforcement of the provisions of the tax imposed, except that reference in the Act to any municipality shall refer to the Authority and the tax shall be imposed only with regard to receipts from sales of motor fuel in the metropolitan region, at rates as limited by this Section.

(c) In connection with the tax imposed under paragraph (b) of this Section, the Board may impose a tax upon the privilege of using in the metropolitan region motor fuel for the operation of a motor vehicle upon public highways, the tax to be at a rate not in excess of the rate of tax imposed under paragraph (b) of this Section. The Board may provide for details of the tax.

(d) The Board may impose a motor vehicle parking tax upon the privilege of parking motor vehicles at off-street parking facilities in the metropolitan region at which a fee is charged, and may provide for reasonable classifications in and exemptions to the tax, for administration and enforcement thereof and for civil penalties and refunds thereunder and may provide criminal penalties thereunder, the maximum penalties not to exceed the maximum criminal penalties provided in the
Retailers' Occupation Tax Act. The Authority may collect and enforce the tax itself or by contract with any unit of local government. The State Department of Revenue shall have no responsibility for the collection and enforcement unless the Department agrees with the Authority to undertake the collection and enforcement. As used in this paragraph, the term "parking facility" means a parking area or structure having parking spaces for more than 2 vehicles at which motor vehicles are permitted to park in return for an hourly, daily, or other periodic fee, whether publicly or privately owned, but does not include parking spaces on a public street, the use of which is regulated by parking meters.

(e) The Board may impose a Regional Transportation Authority Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the metropolitan region. In Cook County, the tax rate shall be 1.25% of the gross receipts from sales of tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly), and 1% of the gross receipts from other taxable sales made in the course of that business. In DuPage, Kane, Lake, McHenry, and Will counties, the tax rate shall be 0.75% of the gross receipts from all taxable sales made in the course of that business. The rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will counties under this Section on sales of aviation fuel on or
after December 1, 2019 shall, however, be 0.25% unless the Regional Transportation Authority in DuPage, Kane, Lake, McHenry, and Will counties has an "airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the additional 0.50% of the 0.75% tax. The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on
aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

The Board and DuPage, Kane, Lake, McHenry, and Will counties must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination in a single amount with State taxes that sellers are required to collect under the Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the
amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section or the Local Government Aviation Trust Fund, as appropriate.

If a tax is imposed under this subsection (e), a tax shall also be imposed under subsections (f) and (g) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this Section shall be construed to authorize the Regional Transportation Authority to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(f) If a tax has been imposed under paragraph (e), a
Regional Transportation Authority Service Occupation Tax shall also be imposed upon all persons engaged, in the metropolitan region in the business of making sales of service, who as an incident to making the sales of service, transfer tangible personal property within the metropolitan region, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. In Cook County, the tax rate shall be: (1) 1.25% of the serviceman's cost price of food prepared for immediate consumption and transferred incident to a sale of service subject to the service occupation tax by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act of 2013, the ID/DD Community Care Act, or the MC/DD Act that is located in the metropolitan region; (2) 1.25% of the selling price of tangible personal property taxed at the 1% rate under the Service Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly); and (3) 1% of the selling price from other taxable sales of tangible personal property transferred. In DuPage, Kane, Lake, McHenry, and Will counties, the rate shall be 0.75% of the selling price of all tangible personal property transferred. The rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will counties under this Section on sales of aviation fuel on or after December 1, 2019 shall, however, be 0.25% unless the Regional Transportation Authority in DuPage, Kane, Lake, McHenry, and Will counties has an
"airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the additional 0.5% of the 0.75% tax.

The Board and DuPage, Kane, Lake, McHenry, and Will counties must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers, and duties, and be
subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the Authority), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the Authority), the first paragraph of Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, that charge may be stated in combination in a single amount with State tax that servicemen
are authorized to collect under the Service Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section or the Local Government Aviation Trust Fund, as appropriate.

Nothing in this paragraph shall be construed to authorize the Authority to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(g) If a tax has been imposed under paragraph (e), a tax shall also be imposed upon the privilege of using in the metropolitan region, any item of tangible personal property that is purchased outside the metropolitan region at retail from a retailer, and that is titled or registered with an agency of this State's government. In Cook County, the tax rate shall be 1% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. In DuPage, Kane, Lake, McHenry, and Will counties, the tax rate shall be 0.75% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. The
tax shall be collected from persons whose Illinois address for
titling or registration purposes is given as being in the
metropolitan region. The tax shall be collected by the
Department of Revenue for the Regional Transportation
Authority. The tax must be paid to the State, or an exemption
determination must be obtained from the Department of Revenue,
before the title or certificate of registration for the
property may be issued. The tax or proof of exemption may be
transmitted to the Department by way of the State agency with
which, or the State officer with whom, the tangible personal
property must be titled or registered if the Department and
the State agency or State officer determine that this
procedure will expedite the processing of applications for
title or registration.

The Department shall have full power to administer and
enforce this paragraph; to collect all taxes, penalties, and
interest due hereunder; to dispose of taxes, penalties, and
interest collected in the manner hereinafter provided; and to
determine all rights to credit memoranda or refunds arising on
account of the erroneous payment of tax, penalty, or interest
hereunder. In the administration of and compliance with this
paragraph, the Department and persons who are subject to this
paragraph shall have the same rights, remedies, privileges,
immunities, powers, and duties, and be subject to the same
conditions, restrictions, limitations, penalties, exclusions,
exemptions, and definitions of terms and employ the same modes
of procedure, as are prescribed in Sections 2 (except the
definition of "retailer maintaining a place of business in
this State"), 3 through 3-80 (except provisions pertaining to
the State rate of tax, and except provisions concerning
collection or refunding of the tax by retailers), 4, 11, 12,
12a, 14, 15, 19 (except the portions pertaining to claims by
retailers and except the last paragraph concerning refunds),
20, 21, and 22 of the Use Tax Act, and are not inconsistent
with this paragraph, as fully as if those provisions were set
forth herein.

Whenever the Department determines that a refund should be
made under this paragraph to a claimant instead of issuing a
credit memorandum, the Department shall notify the State
Comptroller, who shall cause the order to be drawn for the
amount specified, and to the person named in the notification
from the Department. The refund shall be paid by the State
Treasurer out of the Regional Transportation Authority tax
fund established under paragraph (n) of this Section.

(h) The Authority may impose a replacement vehicle tax of
$50 on any passenger car as defined in Section 1-157 of the
Illinois Vehicle Code purchased within the metropolitan region
by or on behalf of an insurance company to replace a passenger
car of an insured person in settlement of a total loss claim.
The tax imposed may not become effective before the first day
of the month following the passage of the ordinance imposing
the tax and receipt of a certified copy of the ordinance by the
Department of Revenue. The Department of Revenue shall collect the tax for the Authority in accordance with Sections 3-2002 and 3-2003 of the Illinois Vehicle Code.

The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes collected hereunder.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the Authority. The amount to be paid to the Authority shall be the amount collected hereunder during the second preceding calendar month by the Department, less any amount determined by the Department to be necessary for the payment of refunds, and less any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the Authority provided for in this Section to be given to the Comptroller by the
Department, the Comptroller shall cause the orders to be drawn
for that amount in accordance with the directions contained in
the certification.

(i) The Board may not impose any other taxes except as it
may from time to time be authorized by law to impose.

(j) A certificate of registration issued by the State
Department of Revenue to a retailer under the Retailers'
Occupation Tax Act or under the Service Occupation Tax Act
shall permit the registrant to engage in a business that is
taxed under the tax imposed under paragraphs (b), (e), (f) or
(g) of this Section and no additional registration shall be
required under the tax. A certificate issued under the Use Tax
Act or the Service Use Tax Act shall be applicable with regard
to any tax imposed under paragraph (c) of this Section.

(k) The provisions of any tax imposed under paragraph (c)
of this Section shall conform as closely as may be practicable
to the provisions of the Use Tax Act, including without
limitation conformity as to penalties with respect to the tax
imposed and as to the powers of the State Department of Revenue
to promulgate and enforce rules and regulations relating to
the administration and enforcement of the provisions of the
tax imposed. The taxes shall be imposed only on use within the
metropolitan region and at rates as provided in the paragraph.

(l) The Board in imposing any tax as provided in
paragraphs (b) and (c) of this Section, shall, after seeking
the advice of the State Department of Revenue, provide means
for retailers, users or purchasers of motor fuel for purposes other than those with regard to which the taxes may be imposed as provided in those paragraphs to receive refunds of taxes improperly paid, which provisions may be at variance with the refund provisions as applicable under the Municipal Retailers Occupation Tax Act. The State Department of Revenue may provide for certificates of registration for users or purchasers of motor fuel for purposes other than those with regard to which taxes may be imposed as provided in paragraphs (b) and (c) of this Section to facilitate the reporting and nontaxability of the exempt sales or uses.

(m) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the Regional Transportation Authority as of September 1 next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing, increasing, decreasing, or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed
with the Department, whereupon the Department shall proceed to administer and enforce this Section as of the first day of the first month to occur not less than 60 days following such adoption and filing. Any ordinance or resolution of the Authority imposing a tax under this Section and in effect on August 1, 2007 shall remain in full force and effect and shall be administered by the Department of Revenue under the terms and conditions and rates of tax established by such ordinance or resolution until the Department begins administering and enforcing an increased tax under this Section as authorized by Public Act 95-708. The tax rates authorized by Public Act 95-708 are effective only if imposed by ordinance of the Authority.

(n) Except as otherwise provided in this subsection (n), the State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the Authority. The taxes shall be held in a trust fund outside the State Treasury. If an airport-related purpose has been certified, taxes and penalties collected in DuPage, Kane, Lake, McHenry and Will counties on aviation fuel sold on or after December 1, 2019 from the 0.50% of the 0.75% rate shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as
the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Authority. On or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois and to the Authority (i) the amount of taxes collected in each county other than Cook County in the metropolitan region, (not including, if an airport-related purpose has been certified, the taxes and penalties collected from the 0.50% of the 0.75% rate on aviation fuel sold on or after December 1, 2019 that are deposited into the Local Government Aviation Trust Fund) (ii) the amount of taxes collected within the City of Chicago, and (iii) the amount collected in that portion of Cook County outside of Chicago, each amount less the amount necessary for the payment of refunds to taxpayers located in those areas described in items (i), (ii), and (iii), and less 1.5% of the remainder, which shall be transferred from the trust fund into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the Authority, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the certification of the amounts, the Comptroller shall cause an order to be drawn for the transfer of the amount certified into the Tax Compliance and Administration Fund and the payment of two-thirds of the
amounts certified in item (i) of this subsection to the Authority and one-third of the amounts certified in item (i) of this subsection to the respective counties other than Cook County and the amount certified in items (ii) and (iii) of this subsection to the Authority.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in July 1991 and each year thereafter to the Regional Transportation Authority. The allocation shall be made in an amount equal to the average monthly distribution during the preceding calendar year (excluding the 2 months of lowest receipts) and the allocation shall include the amount of average monthly distribution from the Regional Transportation Authority Occupation and Use Tax Replacement Fund. The distribution made in July 1992 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department of Revenue shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

(o) Failure to adopt a budget ordinance or otherwise to comply with Section 4.01 of this Act or to adopt a Five-year Capital Program or otherwise to comply with paragraph (b) of Section 2.01 of this Act shall not affect the validity of any tax imposed by the Authority otherwise in conformity with law.

(p) At no time shall a public transportation tax or motor
vehicle parking tax authorized under paragraphs (b), (c), and (d) of this Section be in effect at the same time as any retailers' occupation, use or service occupation tax authorized under paragraphs (e), (f), and (g) of this Section is in effect.

Any taxes imposed under the authority provided in paragraphs (b), (c), and (d) shall remain in effect only until the time as any tax authorized by paragraph (e), (f), or (g) of this Section are imposed and becomes effective. Once any tax authorized by paragraph (e), (f), or (g) is imposed the Board may not reimpose taxes as authorized in paragraphs (b), (c), and (d) of the Section unless any tax authorized by paragraph (e), (f), or (g) of this Section becomes ineffective by means other than an ordinance of the Board.

(q) Any existing rights, remedies and obligations (including enforcement by the Regional Transportation Authority) arising under any tax imposed under paragraph (b), (c), or (d) of this Section shall not be affected by the imposition of a tax under paragraph (e), (f), or (g) of this Section.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)
Section 65-5. The Use Tax Act is amended by changing Sections 3-6, 3-10 and 9 as follows:

(35 ILCS 105/3-6)

Sec. 3-6. Sales tax holiday items.

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

(1) Clothing items that each have a retail selling price of less than $125. "Clothing" means, unless otherwise specified in this Section, all human wearing apparel suitable for general use. "Clothing" does not include clothing accessories, protective equipment, or sport or recreational equipment. "Clothing" includes, but is not limited to: household and shop aprons; athletic supporters; bathing suits and caps; belts and suspenders; boots; coats and jackets; ear muffs; footlets; gloves and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoelaces; slippers; sneakers; socks and stockings; steel-toed shoes; underwear; and school
uniforms.

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

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

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

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

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

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

"School instructional material" means written material commonly used by a student in a course of study as a reference and to learn the subject being taught and includes only the following items: reference books; reference maps and globes; textbooks; and workbooks.
"School computer supply" means an item commonly used by a student in a course of study in which a computer is used and applies only to the following items: flashdrives and other computer data storage devices; data storage media, such as diskettes and compact disks; boxes and cases for disk storage; external ports or drives; computer cases; computer cables; computer printers; and printer cartridges, toner, and ink.

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

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

(2) Coupons and discounts. An unreimbursed discount by the seller reduces the sales price of the property so that the discounted sales price determines whether the sales price is within a sales tax holiday price threshold. A coupon or other reduction in the sales price is treated as a discount if the seller is not reimbursed for the coupon or reduction amount by a third party.
(3) Splitting of items normally sold together. Articles that are normally sold as a single unit must continue to be sold in that manner. Such articles cannot be priced separately and sold as individual items in order to obtain the reduced rate of tax. For example, a pair of shoes cannot have each shoe sold separately so that the sales price of each shoe is within a sales tax holiday price threshold.

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

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

(A) If a customer purchases an item of eligible property during the Sales Tax Holiday Period, but later exchanges the item for a similar eligible item, even if a different size, different color, or other feature, no additional tax is due even if the exchange is made after the Sales Tax Holiday Period.
(B) If a customer purchases an item of eligible property during the Sales Tax Holiday Period, but after the Sales Tax Holiday Period has ended, the customer returns the item and receives credit on the purchase of a different item, the 6.25% general merchandise sales tax rate is due on the sale of the newly purchased item.

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

(6) (Blank). Delivery charges. Delivery charges, including shipping, handling and service charges, are part of the sales price of eligible property.

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

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

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

(Source: P.A. 96-1012, eff. 7-7-10.)

(35 ILCS 105/3-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of either the selling price or the fair market value, if any, of the tangible personal property. In all cases where property functionally used or consumed is the same as the property that was purchased at retail, then the tax is imposed on the selling price of the property. In all cases where property functionally used or consumed is a by-product or waste product that has been refined, manufactured, or produced from property purchased at retail, then the tax is imposed on the lower of the fair market value, if any, of the specific property so used in this State or on the selling price of the property purchased at retail. For purposes of this Section "fair market value" means the price at which property would change hands between a willing buyer and a willing seller, neither being under any
compulsion to buy or sell and both having reasonable knowledge
of the relevant facts. The fair market value shall be
established by Illinois sales by the taxpayer of the same
property as that functionally used or consumed, or if there
are no such sales by the taxpayer, then comparable sales or
purchases of property of like kind and character in Illinois.

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

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

With respect to gasohol, the tax imposed by this Act
applies to (i) 70% of the proceeds of sales made on or after
January 1, 1990, and before July 1, 2003, (ii) 80% of the
proceeds of sales made on or after July 1, 2003 and on or
before July 1, 2017, and (iii) 100% of the proceeds of sales
made thereafter. If, at any time, however, the tax under this
Act on sales of gasohol is imposed at the rate of 1.25%, then
the tax imposed by this Act applies to 100% of the proceeds of
sales of gasohol made during that time.

With respect to majority blended ethanol fuel, the tax
imposed by this Act does not apply to the proceeds of sales
made on or after July 1, 2003 and on or before December 31,
2023 but applies to 100% of the proceeds of sales made thereafter.

With respect to biodiesel blends with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel and biodiesel blends with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

With respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components
related to those devices, modifications to a motor vehicle for
the purpose of rendering it usable by a person with a
disability, and insulin, blood sugar testing materials,
syringes, and needles used by human diabetics, the tax is
imposed at the rate of 1%. For the purposes of this Section,
until September 1, 2009: the term "soft drinks" means any
complete, finished, ready-to-use, non-alcoholic drink, whether
carbonated or not, including but not limited to soda water,
cola, fruit juice, vegetable juice, carbonated water, and all
other preparations commonly known as soft drinks of whatever
kind or description that are contained in any closed or sealed
bottle, can, carton, or container, regardless of size; but
"soft drinks" does not include coffee, tea, non-carbonated
water, infant formula, milk or milk products as defined in the
Grade A Pasteurized Milk and Milk Products Act, or drinks
containing 50% or more natural fruit or vegetable juice.

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

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

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

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

(A) A "Drug Facts" panel; or

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

Beginning on the effective date of this amendatory Act of the 98th General Assembly, "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.

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

If the property that is purchased at retail from a retailer is acquired outside Illinois and used outside Illinois before being brought to Illinois for use here and is taxable under this Act, the "selling price" on which the tax is computed shall be reduced by an amount that represents a reasonable allowance for depreciation for the period of prior out-of-state use.

(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
(35 ILCS 105/9) (from Ch. 120, par. 439.9)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or $5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. When determining the discount allowed under this Section, retailers shall include the amount of tax that would have been due at the 6.25% rate but for the 1.25% rate imposed on sales tax holiday items under this amendatory Act of the 102nd General Assembly. The discount under this Section is not allowed for the 1.25% portion of taxes paid on aviation fuel that is subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The
discount allowed under this Section is allowed only for
returns that are filed in the manner required by this Act. The
Department may disallow the discount for retailers whose
certificate of registration is revoked at the time the return
is filed, but only if the Department's decision to revoke the
certificate of registration has become final. A retailer need
not remit that part of any tax collected by him to the extent
that he is required to remit and does remit the tax imposed by
the Retailers' Occupation Tax Act, with respect to the sale of
the same property.

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

Except as provided in this Section, on or before the
twentieth day of each calendar month, such retailer shall file
a return for the preceding calendar month. Such return shall
be filed on forms prescribed by the Department and shall
furnish such information as the Department may reasonably
require. On and after January 1, 2018, except for returns for
motor vehicles, watercraft, aircraft, and trailers that are
required to be registered with an agency of this State, with
respect to retailers whose annual gross receipts average
$20,000 or more, all returns required to be filed pursuant to
this Act 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.

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

1. The name of the seller;

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

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

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

5-5. The signature of the taxpayer; and

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

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

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

Notwithstanding any other provision of this Act to the contrary, retailers subject to tax on cannabis shall file all cannabis tax returns and shall make all cannabis tax payments by electronic means in the manner and form required by the Department.
Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of $150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of $100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of $50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of $200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was $10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act,
the Service Occupation Tax Act, and the Service Use Tax Act was
$20,000 or more during the preceding 4 complete calendar
quarters, he shall file a return with the Department each
month by the 20th day of the month next following the month
during which such tax liability is incurred and shall make
payment to the Department on or before the 7th, 15th, 22nd and
last day of the month during which such liability is incurred.
If the month during which such tax liability is incurred began
prior to January 1, 1985, each payment shall be in an amount
equal to 1/4 of the taxpayer's actual liability for the month
or an amount set by the Department not to exceed 1/4 of the
average monthly liability of the taxpayer to the Department
for the preceding 4 complete calendar quarters (excluding the
month of highest liability and the month of lowest liability
in such 4 quarter period). If the month during which such tax
liability is incurred begins on or after January 1, 1985, and
prior to January 1, 1987, each payment shall be in an amount
equal to 22.5% of the taxpayer's actual liability for the
month or 27.5% of the taxpayer's liability for the same
calendar month of the preceding year. If the month during
which such tax liability is incurred begins on or after
January 1, 1987, and prior to January 1, 1988, each payment
shall be in an amount equal to 22.5% of the taxpayer's actual
liability for the month or 26.25% of the taxpayer's liability
for the same calendar month of the preceding year. If the month
during which such tax liability is incurred begins on or after
January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than $9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than $10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the $10,000
threshold stated above, then such taxpayer may petition the
Department for change in such taxpayer's reporting status. On
and after October 1, 2000, once applicable, the requirement of
the making of quarter monthly payments to the Department shall
continue until such taxpayer's average monthly liability to
the Department during the preceding 4 complete calendar
quarters (excluding the month of highest liability and the
month of lowest liability) is less than $19,000 or until such
taxpayer's average monthly liability to the Department as
computed for each calendar quarter of the 4 preceding complete
calendar quarter period is less than $20,000. However, if a
taxpayer can show the Department that a substantial change in
the taxpayer's business has occurred which causes the taxpayer
to anticipate that his average monthly tax liability for the
reasonably foreseeable future will fall below the $20,000
threshold stated above, then such taxpayer may petition the
Department for a change in such taxpayer's reporting status.
The Department shall change such taxpayer's reporting status
unless it finds that such change is seasonal in nature and not
likely to be long term. Quarter monthly payment status shall
be determined under this paragraph as if the rate reduction to
1.25% in this amendatory Act of the 102nd General Assembly on
sales tax holiday items had not occurred. For quarter monthly
payments due on or after July 1, 2023 and through June 30,
2024, "25% of the taxpayer's liability for the same calendar
month of the preceding year" shall be determined as if the rate
reduction to 1.25% in this amendatory Act of the 102nd General Assembly on sales tax holiday items had not occurred. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess
payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

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

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

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

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

In addition, with respect to motor vehicles, watercraft,
aircraft, and trailers that are required to be registered with
an agency of this State, except as otherwise provided in this
Section, every retailer selling this kind of tangible personal
property shall file, with the Department, upon a form to be
prescribed and supplied by the Department, a separate return
for each such item of tangible personal property which the
retailer sells, except that if, in the same transaction, (i) 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 (ii) 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 a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

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

The transaction reporting return in the case of motor
vehicles or trailers that are required to be registered with
an agency of this State, shall be the same document as the
Uniform Invoice referred to in Section 5-402 of the Illinois
Vehicle Code and 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, to the
extent to which Section 2 of this Act allows an exemption for
the value of traded-in property; 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 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; such
other information as is required in Section 5-402 of the
Illinois Vehicle Code, and such other information as the
Department may reasonably require.

The transaction reporting return in the case of watercraft
and aircraft 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, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; 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 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.

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 he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the tax that is imposed by this Act 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 titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.
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 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, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

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

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 his 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 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he 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.

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

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

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

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

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

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

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

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

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. If, in any month, the tax on sales tax holiday items, as defined in Section 3-6, is imposed at the rate of 1.25%, then Beginning September 1, 2010, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for that the preceding month from the 1.25% rate on the selling price of sales tax holiday items into the State and Local Sales Tax Reform Fund.

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

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

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

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

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

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to
the Tax Acts; and further provided, that if on the last
business day of any month the sum of (1) the Tax Act Amount
required to be deposited into the Build Illinois Bond Account
in the Build Illinois Fund during such month and (2) the amount
transferred during such month to the Build Illinois Fund from
the State and Local Sales Tax Reform Fund shall have been less
than 1/12 of the Annual Specified Amount, an amount equal to
the difference shall be immediately paid into the Build
Illinois Fund from other moneys received by the Department
pursuant to the Tax Acts; and, further provided, that in no
event shall the payments required under the preceding proviso
result in aggregate payments into the Build Illinois Fund
pursuant to this clause (b) for any fiscal year in excess of
the greater of (i) the Tax Act Amount or (ii) the Annual
Specified Amount for such fiscal year; and, further provided,
that the amounts payable into the Build Illinois Fund under
this clause (b) shall be payable only until such time as the
aggregate amount on deposit under each trust indenture
securing Bonds issued and outstanding pursuant to the Build
Illinois Bond Act is sufficient, taking into account any
future investment income, to fully provide, in accordance with
such indenture, for the defeasance of or the payment of the
principal of, premium, if any, and interest on the Bonds
secured by such indenture and on any Bonds expected to be
issued thereafter and all fees and costs payable with respect
thereto, all as certified by the Director of the Bureau of the
Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

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

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<th>Fiscal Year</th>
<th>Total Deposit</th>
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and each fiscal year thereafter that bonds are outstanding under Section 13.2 of the Metropolitan Pier and Exposition Authority Act, but not after fiscal year 2060.

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

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

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

Subject to payment of amounts into the Build Illinois Fund
and the McCormick Place Expansion Project Fund pursuant to the
preceding paragraphs or in any amendments thereto hereafter
enacted, beginning with the receipt of the first report of
taxes paid by an eligible business and continuing for a
25-year period, the Department shall each month pay into the
Energy Infrastructure Fund 80% of the net revenue realized
from the 6.25% general rate on the selling price of
Illinois-mined coal that was sold to an eligible business. For
purposes of this paragraph, the term "eligible business" means
a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

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

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

Subject to successful execution and delivery of a public-private agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim, and charge set forth in Section 25-55 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

As used in this paragraph, "civic build", "private entity", "public-private agreement", and "public agency" have the meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.
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Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the
Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the
Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of this Act.

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

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

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

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

(Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

Section 65-10. The Retailers' Occupation Tax Act is amended by changing Sections 2-8, 2-10 and 3 as follows:

(35 ILCS 120/2-8)

Sec. 2-8. Sales tax holiday items.

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

(1) Clothing items that each have a retail selling price of less than $125 $100.

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

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

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

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

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

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

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

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

"School computer supply" means an item commonly used by a student in a course of study in which a computer is used and applies only to the following items: flashdrives and other computer data storage devices; data storage media, such as diskettes and compact disks; boxes and cases for disk storage; external ports or drives; computer cases; computer cables; computer printers; and printer cartridges, toner, and ink.
(b) Administration. Notwithstanding any other provision of this Act, the reduced rate of tax under Section 3-10 of this Act for clothing and school supplies shall be administered by the Department under the provisions of this subsection (b).

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

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

(3) Splitting of items normally sold together. Articles that are normally sold as a single unit must continue to be sold in that manner. Such articles cannot be priced separately and sold as individual items in order to obtain the reduced rate of tax. For example, a pair of shoes cannot have each shoe sold separately so that the sales price of each shoe is within a sales tax holiday price threshold.
(4) Rain checks. A rain check is a procedure that allows a customer to purchase an item at a certain price at a later time because the particular item was out of stock. Eligible property that customers purchase during the Sales Tax Holiday Period with the use of a rain check will qualify for the reduced rate of tax regardless of when the rain check was issued. Issuance of a rain check during the Sales Tax Holiday Period will not qualify eligible property for the reduced rate of tax if the property is actually purchased after the Sales Tax Holiday Period.

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

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

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

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

(6) **Blank.** Delivery charges. Delivery charges,
including shipping, handling and service charges, are part
of the sales price of eligible property.

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

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

(c) The Department may implement the provisions of this Section through the use of emergency rules, along with permanent rules filed concurrently with such emergency rules, in accordance with the provisions of Section 5-45 of the Illinois Administrative Procedure Act. For purposes of the Illinois Administrative Procedure Act, the adoption of rules to implement the provisions of this Section shall be deemed an emergency and necessary for the public interest, safety, and welfare.
Sec. 2-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of gross receipts from sales of tangible personal property made in the course of business.

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

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

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

With respect to gasohol, as defined in the Use Tax Act, the
tax imposed by this Act applies to (i) 70% of the proceeds of
sales made on or after January 1, 1990, and before July 1,
2003, (ii) 80% of the proceeds of sales made on or after July
1, 2003 and on or before July 1, 2017, and (iii) 100% of the
proceeds of sales made thereafter. If, at any time, however,
the tax under this Act on sales of gasohol, as defined in the
Use Tax Act, is imposed at the rate of 1.25%, then the tax
imposed by this Act applies to 100% of the proceeds of sales of
gasohol made during that time.

With respect to majority blended ethanol fuel, as defined
in the Use Tax Act, the tax imposed by this Act does not apply
to the proceeds of sales made on or after July 1, 2003 and on
or before December 31, 2023 but applies to 100% of the proceeds
of sales made thereafter.

With respect to biodiesel blends, as defined in the Use
Tax Act, with no less than 1% and no more than 10% biodiesel,
the tax imposed by this Act applies to (i) 80% of the proceeds
of sales made on or after July 1, 2003 and on or before
December 31, 2018 and (ii) 100% of the proceeds of sales made
thereafter. If, at any time, however, the tax under this Act on
sales of biodiesel blends, as defined in the Use Tax Act, with
no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

With respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, blood sugar testing materials, syringes, and needles used by human diabetics, the tax is imposed at the rate of 1%. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether
carbonated or not, including but not limited to soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

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

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

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

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

(A) A "Drug Facts" panel; or

(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound,
Beginning on the effective date of this amendatory Act of the 98th General Assembly, "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Program Act.

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

(Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19; 102-4, eff. 4-27-21.)

(35 ILCS 120/3) (from Ch. 120, par. 442)

Sec. 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at retail in this State during the preceding calendar month shall file a return with the Department, stating:

1. The name of the seller;

2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;

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

5. Deductions allowed by law;

6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;

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

8. The amount of tax due;

9. The signature of the taxpayer; and

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

On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average $20,000 or more, all returns required to be filed pursuant to this Act 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.

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

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

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

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

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.
Every person engaged in the business of selling aviation fuel at retail in this State during the preceding calendar month shall, instead of reporting and paying tax as otherwise required by this Section, report and pay such tax on a separate aviation fuel tax return. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, retailers selling aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this Section, "aviation fuel" means jet fuel and aviation gasoline.

Beginning on October 1, 2003, any person who is not a licensed distributor, importing distributor, or manufacturer, as defined in the Liquor Control Act of 1934, but is engaged in the business of selling, at retail, alcoholic liquor shall file a statement with the Department of Revenue, in a format and at a time prescribed by the Department, showing the total amount paid for alcoholic liquor purchased during the preceding month and such other information as is reasonably required by the Department. The Department may adopt rules to require that this statement be filed in an electronic or telephonic format. Such rules may provide for exceptions from the filing requirements of this paragraph. For the purposes of this paragraph, the term "alcoholic liquor" shall have the meaning prescribed in the Liquor Control Act of 1934.
Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term
"electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

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

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

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of $150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of $100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of $50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of $200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation
and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

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

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

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

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

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

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

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

Such quarter annual and annual returns, as to form and
substance, shall be subject to the same requirements as
monthly returns.
Notwithstanding any other provision in this Act concerning
the time within which a retailer may file his return, in the
case of any retailer who ceases to engage in a kind of business
which makes him responsible for filing returns under this Act,
such retailer shall file a final return under this Act with the
Department not more than one month after discontinuing such
business.

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

In addition, with respect to motor vehicles, watercraft,
aircraft, and trailers that are required to be registered with
an agency of this State, except as otherwise provided in this
Section, every retailer selling this kind of tangible personal
property shall file, with the Department, upon a form to be
prescribed and supplied by the Department, a separate return
for each such item of tangible personal property which the
retailer sells, except that if, in the same transaction, (i) 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
retailer or trailer retailer for the purpose of resale or (ii)
a retailer of aircraft, watercraft, motor vehicles, or
trailer transfers more than one aircraft, watercraft, motor
vehicle, or trailer to a purchaser for use as a qualifying
rolling stock as provided in Section 2-5 of this 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. For purposes of this Section, "watercraft" means
a Class 2, Class 3, or Class 4 watercraft as defined in Section
3-2 of the Boat Registration and Safety Act, a personal
watercraft, or any boat equipped with an inboard motor.

In addition, with respect to motor vehicles, watercraft,
aircraft, and trailers that are required to be registered with
an agency of this State, every person who is engaged in the
business of leasing or renting such items and who, in
connection with such business, sells any such item to a
retailer for the purpose of resale is, notwithstanding any
other provision of this Section to the contrary, authorized to
meet the return-filing requirement of this Act by reporting
the transfer of all the aircraft, watercraft, motor vehicles,
or trailers transferred for resale during a month to the
Department on the same uniform invoice-transaction reporting
return form on or before the 20th of the month following the
month in which the transfer takes place. Notwithstanding any
other provision of this Act to the contrary, all returns filed
under this paragraph must be filed by electronic means in the
manner and form as required by the Department.
Any retailer who sells only motor vehicles, watercraft, aircraft, or trailers that are required to be registered with an agency of this State, so that all retailers' occupation tax liability is required to be reported, and is reported, on such transaction reporting returns and who is not otherwise required to file monthly or quarterly returns, need not file monthly or quarterly returns. However, those retailers shall be required to file returns on an annual basis.

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and 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, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; 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 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; such
other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft or aircraft 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, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; 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 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.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax 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 titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

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

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

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the 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 his 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 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he 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.

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

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

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

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or $5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. On and after January 1, 2021, a certified service provider, as defined in the Leveling the Playing Field for Illinois Retail Act, filing the return under this Section on behalf of a remote retailer shall, at the time of such return, pay to the Department the amount of tax imposed by this Act less a discount of 1.75%. A remote retailer using a certified service provider to file a return on its behalf, as provided in the Leveling the Playing Field for Illinois Retail Act, is not eligible for the discount. When
determining the discount allowed under this Section, retailers shall include the amount of tax that would have been due at the 6.25% rate but for the 1.25% rate imposed on sales tax holiday items under this amendatory Act of the 102nd General Assembly. The discount under this Section is not allowed for the 1.25% portion of taxes paid on aviation fuel that is subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was $10,000 or more during the preceding 4 complete calendar
quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was $20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount
equal to 22.5% of the taxpayer's actual liability for the 
month or 27.5% of the taxpayer's liability for the same 
calendar month of the preceding year. If the month during 
which such tax liability is incurred begins on or after 
January 1, 1987 and prior to January 1, 1988, each payment 
shall be in an amount equal to 22.5% of the taxpayer's actual 
liability for the month or 26.25% of the taxpayer's liability 
for the same calendar month of the preceding year. If the month 
during which such tax liability is incurred begins on or after 
January 1, 1988, and prior to January 1, 1989, or begins on or 
after January 1, 1996, each payment shall be in an amount equal 
to 22.5% of the taxpayer's actual liability for the month or 
25% of the taxpayer's liability for the same calendar month of 
the preceding year. If the month during which such tax 
liability is incurred begins on or after January 1, 1989, and 
prior to January 1, 1996, each payment shall be in an amount 
equal to 22.5% of the taxpayer's actual liability for the month or 
25% of the taxpayer's liability for the same calendar month of 
the preceding year or 100% of the taxpayer's actual 
liability for the quarter monthly reporting period. The amount 
of such quarter monthly payments shall be credited against the 
final tax liability of the taxpayer's return for that month. 
Before October 1, 2000, once applicable, the requirement of 
the making of quarter monthly payments to the Department by 
taxpayers having an average monthly tax liability of $10,000 
or more as determined in the manner provided above shall
continue until such taxpayer's average monthly liability to
the Department during the preceding 4 complete calendar
quarters (excluding the month of highest liability and the
month of lowest liability) is less than $9,000, or until such
taxpayer's average monthly liability to the Department as
computed for each calendar quarter of the 4 preceding complete
calendar quarter period is less than $10,000. However, if a
taxpayer can show the Department that a substantial change in
the taxpayer's business has occurred which causes the taxpayer
to anticipate that his average monthly tax liability for the
reasonably foreseeable future will fall below the $10,000
threshold stated above, then such taxpayer may petition the
Department for a change in such taxpayer's reporting status.
On and after October 1, 2000, once applicable, the requirement
of the making of quarter monthly payments to the Department by
taxpayers having an average monthly tax liability of $20,000
or more as determined in the manner provided above shall
continue until such taxpayer's average monthly liability to
the Department during the preceding 4 complete calendar
quarters (excluding the month of highest liability and the
month of lowest liability) is less than $19,000 or until such
taxpayer's average monthly liability to the Department as
computed for each calendar quarter of the 4 preceding complete
calendar quarter period is less than $20,000. However, if a
taxpayer can show the Department that a substantial change in
the taxpayer's business has occurred which causes the taxpayer
to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the $20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. **Quarter monthly payment status shall be determined under this paragraph as if the rate reduction to 1.25% in this amendatory Act of the 102nd General Assembly on sales tax holiday items had not occurred. For quarter monthly payments due on or after July 1, 2023 and through June 30, 2024, "25% of the taxpayer's liability for the same calendar month of the preceding year" shall be determined as if the rate reduction to 1.25% in this amendatory Act of the 102nd General Assembly on sales tax holiday items had not occurred.** If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly
basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of $25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to September 1, 1985 (the effective date of Public Act 84-221), each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the
taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is $25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of $20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be credited against the final tax liability of the
taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than $19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than $20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the
taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

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

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

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

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. If, in any month, the tax on sales tax holiday items, as defined in Section 2-8, is imposed at the rate of 1.25%, then Beginning September 1, 2010, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for that the preceding month from the 1.25% rate on the selling price of sales tax holiday items into the County and Mass Transit District Fund.

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

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

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. If, in any month, the tax on sales tax holiday items, as defined in Section 2-8, is imposed at the rate of 1.25%, then Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for that preceding month from the 1.25% rate on the selling price of sales tax holiday items into the Local Government Tax Fund.

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

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

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

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

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Annual Specified Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>$54,800,000</td>
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<tr>
<td>1987</td>
<td>$76,650,000</td>
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<tr>
<td>1988</td>
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and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued.
and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim
and charge set forth in Section 12 of the Build Illinois Bond Act.

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

<table>
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<th>Fiscal Year</th>
<th>Total Deposit</th>
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<td>375,000,000</td>
</tr>
<tr>
<td>2029</td>
<td>375,000,000</td>
</tr>
</tbody>
</table>
2030 375,000,000
2031 375,000,000
2032 375,000,000
2033 375,000,000
2034 375,000,000
2035 375,000,000
2036 450,000,000

and

each fiscal year

thereafter that bonds

are outstanding under

Section 13.2 of the

Metropolitan Pier and

Exposition Authority Act,

but not after fiscal year 2060.

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

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

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

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter
enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

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

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

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Deposit</th>
</tr>
</thead>
<tbody>
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<td>2024</td>
<td>$200,000,000</td>
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<tr>
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<td>2037</td>
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<tr>
<td>2042</td>
<td>$432,200,000</td>
</tr>
</tbody>
</table>
Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol.
Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax Act.

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

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in
If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

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

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

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

The provisions of this Section concerning the filing of an annual information return do not apply to a retailer who is not required to file an income tax return with the United States Government.
As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

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

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

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

Any person engaged in the business of selling tangible
personal property at retail as a concessionaire or other type
of seller at the Illinois State Fair, county fairs, art shows,
flea markets and similar exhibitions or events, or any
transient merchants, as defined by Section 2 of the Transient
Merchant Act of 1987, may be required to make a daily report of
the amount of such sales to the Department and to make a daily
payment of the full amount of tax due. The Department shall
impose this requirement when it finds that there is a
significant risk of loss of revenue to the State at such an
exhibition or event. Such a finding shall be based on evidence
that a substantial number of concessionaires or other sellers
who are not residents of Illinois will be engaging in the
business of selling tangible personal property at retail at
the exhibition or event, or other evidence of a significant
risk of loss of revenue to the State. The Department shall
notify concessionaires and other sellers affected by the
imposition of this requirement. In the absence of notification
by the Department, the concessionaires and other sellers shall
file their returns as otherwise required in this Section.
(Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;
101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.
6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;
101-636, eff. 6-10-20; 102-634, eff. 8-27-21; revised
12-7-21.)

Section 65-15. The State Finance Act is amended by
changing Sections 6z-18 and 6z-20 as follows:

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

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

A portion of the money paid into the Local Government Tax
Fund from the 6.25% general use tax rate on the selling price
of tangible personal property which is purchased outside
Illinois at retail from a retailer and which is titled or
registered by any agency of this State's government shall be
distributed to municipalities as provided in this paragraph.
Each municipality shall receive the amount attributable to
sales for which Illinois addresses for titling or registration
purposes are given as being in such municipality. The
remainder of the money paid into the Local Government Tax Fund
from such sales shall be distributed to counties. Each county
shall receive the amount attributable to sales for which
Illinois addresses for titling or registration purposes are
given as being located in the unincorporated area of such
county.

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

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

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

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

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

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

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

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

As soon as possible after the effective date of this amendatory Act of the 98th General Assembly, the State Comptroller shall order and the State Treasurer shall transfer $6,600,000 from the Local Government Tax Fund to the Illinois
State Medical Disciplinary Fund.
(Source: P.A. 100-1171, eff. 1-4-19.)

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

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

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

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

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

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

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the Regional Transportation Authority and to named counties, the counties to be those entitled to distribution, as hereinabove provided, of taxes or penalties paid to the Department during the second preceding calendar month. The amount to be paid to the Regional Transportation Authority and each county having
3,000,000 or fewer inhabitants shall be the amount (not including credit memoranda) collected during the second preceding calendar month by the Department and paid into the County and Mass Transit District Fund, plus an amount the Department determines is necessary to offset any amounts which were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, and not including any amount which the Department determines is necessary to offset any amounts which were payable to a different taxing body but were erroneously paid to the Regional Transportation Authority or county, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the amount to be paid to the Regional Transportation Authority, which shall be transferred into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the Regional Transportation Authority, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the Regional Transportation Authority, counties, and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the
directions contained in such certification.

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

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

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

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)
ARTICLE 70. BREAST PUMPS

Section 70-5. The Use Tax Act is amended by changing Section 3-5 as follows:

(35 ILCS 105/3-5)

Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to,
music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or by a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

(5) Until July 1, 2003, a passenger car that is a replacement vehicle to the extent that the purchase price of the car is subject to the Replacement Vehicle Tax.

(6) Until July 1, 2003 and beginning again on September 1,
2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order, certified by the purchaser to be used primarily for graphic arts production, and including machinery and equipment purchased for lease. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under paragraph (18).

(7) Farm chemicals.

(8) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(9) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(10) A motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.

(11) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or
State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (11). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the
computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (11) is exempt from the provisions of Section 3-90.

(12) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(13) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages purchased at retail from a retailer, to the
extent that the proceeds of the service charge are in fact
turned over as tips or as a substitute for tips to the
employees who participate directly in preparing, serving,
hosting or cleaning up the food or beverage function with
respect to which the service charge is imposed.

(14) Until July 1, 2003, oil field exploration, drilling,
and production equipment, including (i) rigs and parts of
rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
pipe and tubular goods, including casing and drill strings,
(iii) pumps and pump-jack units, (iv) storage tanks and flow
lines, (v) any individual replacement part for oil field
exploration, drilling, and production equipment, and (vi)
machinery and equipment purchased for lease; but excluding
motor vehicles required to be registered under the Illinois
Vehicle Code.

(15) Photoprocessing machinery and equipment, including
repair and replacement parts, both new and used, including
that manufactured on special order, certified by the purchaser
to be used primarily for photoprocessing, and including
photoprocessing machinery and equipment purchased for lease.

(16) Until July 1, 2023, coal and aggregate exploration,
mining, off-highway hauling, processing, maintenance, and
reclamation equipment, including replacement parts and
equipment, and including equipment purchased for lease, but
excluding motor vehicles required to be registered under the
Illinois Vehicle Code. The changes made to this Section by
Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(17) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(18) Manufacturing and assembling machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether that sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether that sale or lease is made apart from or as an incident to the seller’s engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (18) includes production related tangible personal property, as defined in Section 3-50, purchased on or after July 1, 2019. The exemption provided by this paragraph (18) does not include machinery and equipment used in (i) the
generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (18) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (6) of this Section.

(19) Personal property delivered to a purchaser or purchaser's donee inside Illinois when the purchase order for that personal property was received by a florist located outside Illinois who has a florist located inside Illinois deliver the personal property.

(20) Semen used for artificial insemination of livestock for direct agricultural production.

(21) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (21) is exempt from the provisions of Section 3-90, and the exemption provided for under this item (21) applies for all periods beginning May 30,
1995, but no claim for credit or refund is allowed on or after January 1, 2008 for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008.

(22) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.
(23) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(24) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a
manufacturer or retailer that is registered in this State to a
corporation, society, association, foundation, or institution
that has been issued a sales tax exemption identification
number by the Department that assists victims of the disaster
who reside within the declared disaster area.

(25) Beginning with taxable years ending on or after
December 31, 1995 and ending with taxable years ending on or
before December 31, 2004, personal property that is used in
the performance of infrastructure repairs in this State,
including but not limited to municipal roads and streets,
access roads, bridges, sidewalks, waste disposal systems,
water and sewer line extensions, water distribution and
purification facilities, storm water drainage and retention
facilities, and sewage treatment facilities, resulting from a
State or federally declared disaster in Illinois or bordering
Illinois when such repairs are initiated on facilities located
in the declared disaster area within 6 months after the
disaster.

(26) Beginning July 1, 1999, game or game birds purchased
at a "game breeding and hunting preserve area" as that term is
used in the Wildlife Code. This paragraph is exempt from the
provisions of Section 3-90.

(27) A motor vehicle, as that term is defined in Section
1-146 of the Illinois Vehicle Code, that is donated to a
corporation, limited liability company, society, association,
foundation, or institution that is determined by the
Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(28) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the
purpose of resale by the fundraising entity and that profits
from the sale to the fundraising entity. This paragraph is
exempt from the provisions of Section 3-90.

(29) Beginning January 1, 2000 and through December 31,
2001, new or used automatic vending machines that prepare and
serve hot food and beverages, including coffee, soup, and
other items, and replacement parts for these machines.
Beginning January 1, 2002 and through June 30, 2003, machines
and parts for machines used in commercial, coin-operated
amusement and vending business if a use or occupation tax is
paid on the gross receipts derived from the use of the
commercial, coin-operated amusement and vending machines. This
paragraph is exempt from the provisions of Section 3-90.

(30) Beginning January 1, 2001 and through June 30, 2016,
food for human consumption that is to be consumed off the
premises where it is sold (other than alcoholic beverages,
soft drinks, and food that has been prepared for immediate
consumption) and prescription and nonprescription medicines,
drugs, medical appliances, and insulin, urine testing
materials, syringes, and needles used by diabetics, for human
use, when purchased for use by a person receiving medical
assistance under Article V of the Illinois Public Aid Code who
resides in a licensed long-term care facility, as defined in
the Nursing Home Care Act, or in a licensed facility as defined
in the ID/DD Community Care Act, the MC/DD Act, or the
Specialized Mental Health Rehabilitation Act of 2013.
(31) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(32) Beginning on August 2, 2001 (the effective date of
Public Act 92-227), personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(33) On and after July 1, 2003 and through June 30, 2004, the use in this State of motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds and that are subject to the commercial distribution fee imposed under
Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, the term "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise, whether for-hire or not.

(34) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-90.

(35) Beginning January 1, 2010 and continuing through December 31, 2024, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement,
repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property by persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (35) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (35) applies continuously from January 1, 2010 through December 31, 2024; however, no claim
for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to the effective date of this amendatory Act of the 101st General Assembly.

(36) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-90.

(37) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(38) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental purchase agreement, as defined in the Rental Purchase Agreement Act, and provide proof of registration under the
Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 3-90.

(39) Tangible personal property purchased by a purchaser who is exempt from the tax imposed by this Act by operation of federal law. This paragraph is exempt from the provisions of Section 3-90.

(40) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had Public Act 101-31 been in effect may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (40) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (40):
"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means:
electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically
incorporated in to the qualifying data center. To document
the exemption allowed under this Section, the retailer
must obtain from the purchaser a copy of the certificate
of eligibility issued by the Department of Commerce and
Economic Opportunity.

This item (40) is exempt from the provisions of Section
3-90.

(41) Beginning July 1, 2022, breast pumps, breast pump
collection and storage supplies, and breast pump kits. This
item (41) is exempt from the provisions of Section 3-90. As
used in this item (41):

"Breast pump" means an electrically controlled or
manually controlled pump device designed or marketed to be
used to express milk from a human breast during lactation,
including the pump device and any battery, AC adapter, or
other power supply unit that is used to power the pump
device and is packaged and sold with the pump device at the
time of sale.

"Breast pump collection and storage supplies" means
items of tangible personal property designed or marketed
to be used in conjunction with a breast pump to collect
milk expressed from a human breast and to store collected
milk until it is ready for consumption.

"Breast pump collection and storage supplies"
includes, but is not limited to: breast shields and breast
shield connectors; breast pump tubes and tubing adapters;
breast pump valves and membranes; backflow protectors and
backflow protector adaptors; bottles and bottle caps
specific to the operation of the breast pump; and breast
milk storage bags.

"Breast pump collection and storage supplies" does not
include: (1) bottles and bottle caps not specific to the
operation of the breast pump; (2) breast pump travel bags
and other similar carrying accessories, including ice
packs, labels, and other similar products; (3) breast pump
cleaning supplies; (4) nursing bras, bra pads, breast
shells, and other similar products; and (5) creams,
ointments, and other similar products that relieve
breastfeeding-related symptoms or conditions of the
breasts or nipples, unless sold as part of a breast pump
kit that is pre-packaged by the breast pump manufacturer
or distributor.

"Breast pump kit" means a kit that: (1) contains no
more than a breast pump, breast pump collection and
storage supplies, a rechargeable battery for operating the
breast pump, a breastmilk cooler, bottle stands, ice
packs, and a breast pump carrying case; and (2) is
pre-packaged as a breast pump kit by the breast pump
manufacturer or distributor.

(Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
6-17-21.)
Section 70-10. The Service Use Tax Act is amended by changing Section 3-5 as follows:

(35 ILCS 110/3-5)
Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a non-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service
organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(5) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under Section 2 of this Act.

(6) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Farm machinery and equipment, both new and used,
including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.
Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 3-75.

(8) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(9) Proceeds of mandatory service charges separately
stated on customers' bills for the purchase and consumption of
food and beverages acquired as an incident to the purchase of a
service from a serviceman, to the extent that the proceeds of
the service charge are in fact turned over as tips or as a
substitute for tips to the employees who participate directly
in preparing, serving, hosting or cleaning up the food or
beverage function with respect to which the service charge is
imposed.

(10) Until July 1, 2003, oil field exploration, drilling,
and production equipment, including (i) rigs and parts of
rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
pipe and tubular goods, including casing and drill strings,
(iii) pumps and pump-jack units, (iv) storage tanks and flow
lines, (v) any individual replacement part for oil field
exploration, drilling, and production equipment, and (vi)
machinery and equipment purchased for lease; but excluding
motor vehicles required to be registered under the Illinois
Vehicle Code.

(11) Proceeds from the sale of photoprocessing machinery
and equipment, including repair and replacement parts, both
new and used, including that manufactured on special order,
certified by the purchaser to be used primarily for
photoprocessing, and including photoprocessing machinery and
equipment purchased for lease.

(12) Until July 1, 2023, coal and aggregate exploration,
mining, off-highway hauling, processing, maintenance, and
reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(13) Semen used for artificial insemination of livestock for direct agricultural production.

(14) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (14) is exempt from the provisions of Section 3-75, and the exemption provided for under this item (14) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(15) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis,
analysis, or treatment of hospital patients purchased by a
lessor who leases the equipment, under a lease of one year or
longer executed or in effect at the time the lessor would
otherwise be subject to the tax imposed by this Act, to a
hospital that has been issued an active tax exemption
identification number by the Department under Section 1g of
the Retailers' Occupation Tax Act. If the equipment is leased
in a manner that does not qualify for this exemption or is used
in any other non-exempt manner, the lessor shall be liable for
the tax imposed under this Act or the Use Tax Act, as the case
may be, based on the fair market value of the property at the
time the non-qualifying use occurs. No lessor shall collect or
attempt to collect an amount (however designated) that
purports to reimburse that lessor for the tax imposed by this
Act or the Use Tax Act, as the case may be, if the tax has not
been paid by the lessor. If a lessor improperly collects any
such amount from the lessee, the lessee shall have a legal
right to claim a refund of that amount from the lessor. If,
however, that amount is not refunded to the lessee for any
reason, the lessor is liable to pay that amount to the
Department.

(16) Personal property purchased by a lessor who leases
the property, under a lease of one year or longer executed or
in effect at the time the lessor would otherwise be subject to
the tax imposed by this Act, to a governmental body that has
been issued an active tax exemption identification number by
the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(17) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(18) Beginning with taxable years ending on or after
December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(19) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-75.

(20) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in
useful branches of learning by methods common to public
schools and that compare favorably in their scope and
intensity with the course of study presented in tax-supported
schools, and vocational or technical schools or institutes
organized and operated exclusively to provide a course of
study of not less than 6 weeks duration and designed to prepare
individuals to follow a trade or to pursue a manual,
technical, mechanical, industrial, business, or commercial
occupation.

(21) Beginning January 1, 2000, personal property,
including food, purchased through fundraising events for the
benefit of a public or private elementary or secondary school,
a group of those schools, or one or more school districts if
the events are sponsored by an entity recognized by the school
district that consists primarily of volunteers and includes
parents and teachers of the school children. This paragraph
does not apply to fundraising events (i) for the benefit of
private home instruction or (ii) for which the fundraising
entity purchases the personal property sold at the events from
another individual or entity that sold the property for the
purpose of resale by the fundraising entity and that profits
from the sale to the fundraising entity. This paragraph is
exempt from the provisions of Section 3-75.

(22) Beginning January 1, 2000 and through December 31,
2001, new or used automatic vending machines that prepare and
serve hot food and beverages, including coffee, soup, and
other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-75.

(23) Beginning August 23, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(24) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the
lessee would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers'
Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(26) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-75.

(27) Beginning January 1, 2010 and continuing through December 31, 2024, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement,
repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property transferred incident to the modification, refurbishment, completion, replacement, repair, or maintenance of aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (27) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (27) applies continuously from January 1, 2010.
through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to the effective date of this amendatory Act of the 101st General Assembly.

(28) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-75.

(29) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(30) Tangible personal property transferred to a purchaser who is exempt from the tax imposed by this Act by operation of federal law. This paragraph is exempt from the provisions of Section 3-75.
(31) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (31) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (31):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and
chilling equipment and systems; mechanical systems and
equipment; monitoring and secure systems; emergency
generators; hardware; computers; servers; data storage
devices; network connectivity equipment; racks; cabinets;
telecommunications cabling infrastructure; raised floor
systems; peripheral components or systems; software;
mechanical, electrical, or plumbing systems; battery
systems; cooling systems and towers; temperature control
systems; other cabling; and other data center
infrastructure equipment and systems necessary to operate
qualified tangible personal property, including fixtures;
and component parts of any of the foregoing, including
installation, maintenance, repair, refurbishment, and
replacement of qualified tangible personal property to
generate, transform, transmit, distribute, or manage
electricity necessary to operate qualified tangible
personal property; and all other tangible personal
property that is essential to the operations of a computer
data center. The term "qualified tangible personal
property" also includes building materials physically
incorporated in to the qualifying data center. To document
the exemption allowed under this Section, the retailer
must obtain from the purchaser a copy of the certificate
of eligibility issued by the Department of Commerce and
Economic Opportunity.
This item (31) is exempt from the provisions of Section
(32) Beginning July 1, 2022, breast pumps, breast pump collection and storage supplies, and breast pump kits. This item (32) is exempt from the provisions of Section 3-75. As used in this item (32):

"Breast pump" means an electrically controlled or manually controlled pump device designed or marketed to be used to express milk from a human breast during lactation, including the pump device and any battery, AC adapter, or other power supply unit that is used to power the pump device and is packaged and sold with the pump device at the time of sale.

"Breast pump collection and storage supplies" means items of tangible personal property designed or marketed to be used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption.

"Breast pump collection and storage supplies" includes, but is not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; and breast milk storage bags.

"Breast pump collection and storage supplies" does not include: (1) bottles and bottle caps not specific to the
operation of the breast pump; (2) breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products; (3) breast pump cleaning supplies; (4) nursing bras, bra pads, breast shells, and other similar products; and (5) creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples, unless sold as part of a breast pump kit that is pre-packaged by the breast pump manufacturer or distributor.

"Breast pump kit" means a kit that: (1) contains no more than a breast pump, breast pump collection and storage supplies, a rechargeable battery for operating the breast pump, a breastmilk cooler, bottle stands, ice packs, and a breast pump carrying case; and (2) is pre-packaged as a breast pump kit by the breast pump manufacturer or distributor.

(Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

Section 70-15. The Service Occupation Tax Act is amended by changing Section 3-5 as follows:

(35 ILCS 115/3-5)

Sec. 3-5. Exemptions. The following tangible personal property is exempt from the tax imposed by this Act:
(1) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by any not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Legal tender, currency, medallions, or gold or silver
coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(5) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under Section 2 of this Act.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural
chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the
provisions of Section 3-55.

(8) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(9) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.
(10) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(11) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(12) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).
Beginning January 1, 1992 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

Semen used for artificial insemination of livestock for direct agricultural production.

Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (15) is exempt from the provisions of Section 3-55, and the exemption provided for under this item (15) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and
ending on January 1, 2008 (the effective date of Public Act
95-88).

(16) Computers and communications equipment utilized for
any hospital purpose and equipment used in the diagnosis,
analysis, or treatment of hospital patients sold to a lessor
who leases the equipment, under a lease of one year or longer
executed or in effect at the time of the purchase, to a
hospital that has been issued an active tax exemption
identification number by the Department under Section 1g of
the Retailers' Occupation Tax Act.

(17) Personal property sold to a lessor who leases the
property, under a lease of one year or longer executed or in
effect at the time of the purchase, to a governmental body that
has been issued an active tax exemption identification number
by the Department under Section 1g of the Retailers'
Occupation Tax Act.

(18) Beginning with taxable years ending on or after
December 31, 1995 and ending with taxable years ending on or
before December 31, 2004, personal property that is donated
for disaster relief to be used in a State or federally declared
disaster area in Illinois or bordering Illinois by a
manufacturer or retailer that is registered in this State to a
corporation, society, association, foundation, or institution
that has been issued a sales tax exemption identification
number by the Department that assists victims of the disaster
who reside within the declared disaster area.
(19) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(20) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-55.

(21) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public
schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(22) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-55.

(23) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and
serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-55.

(24) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. This paragraph is exempt from the provisions of Section 3-55.

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. This paragraph is exempt from the provisions of Section 3-55.
(26) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (26). The permit issued under this paragraph (26) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(27) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental
Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-55.

(28) Tangible personal property sold to a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-55.

(29) Beginning January 1, 2010 and continuing through December 31, 2024, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and
maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the transfer of qualifying tangible personal property incident to the modification, refurbishment, completion, replacement, repair, or maintenance of an aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (29) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (29) applies continuously from January 1, 2010 through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to the
(30) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.
(31) Tangible personal property transferred to a purchaser who is exempt from tax by operation of federal law. This paragraph is exempt from the provisions of Section 3-55.
(32) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (32) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.
For the purposes of this item (32):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal
property” also includes building materials physically incorporated into the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (32) is exempt from the provisions of Section 3-55.

(33) Beginning July 1, 2022, breast pumps, breast pump collection and storage supplies, and breast pump kits. This item (33) is exempt from the provisions of Section 3-55. As used in this item (33):

"Breast pump” means an electrically controlled or manually controlled pump device designed or marketed to be used to express milk from a human breast during lactation, including the pump device and any battery, AC adapter, or other power supply unit that is used to power the pump device and is packaged and sold with the pump device at the time of sale.

"Breast pump collection and storage supplies” means items of tangible personal property designed or marketed to be used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption.

"Breast pump collection and storage supplies” includes, but is not limited to: breast shields and breast
shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; and breast milk storage bags.

"Breast pump collection and storage supplies" does not include: (1) bottles and bottle caps not specific to the operation of the breast pump; (2) breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products; (3) breast pump cleaning supplies; (4) nursing bras, bra pads, breast shells, and other similar products; and (5) creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples, unless sold as part of a breast pump kit that is pre-packaged by the breast pump manufacturer or distributor.

"Breast pump kit" means a kit that: (1) contains no more than a breast pump, breast pump collection and storage supplies, a rechargeable battery for operating the breast pump, a breastmilk cooler, bottle stands, ice packs, and a breast pump carrying case; and (2) is pre-packaged as a breast pump kit by the breast pump manufacturer or distributor.

(Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)
Section 70-20. The Retailers' Occupation Tax Act is amended by changing Section 2-5 as follows:

(35 ILCS 120/2-5)
Sec. 2-5. Exemptions. Gross receipts from proceeds from the sale of the following tangible personal property are exempt from the tax imposed by this Act:

(1) Farm chemicals.

(2) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units sold
separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (2) is exempt from the provisions of Section 2-70.

(3) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale
or resale.

(4) Until July 1, 2003 and beginning again September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under paragraph (14).

(5) A motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 2-70.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Until July 1, 2003, proceeds of that portion of the selling price of a passenger car the sale of which is subject to the Replacement Vehicle Tax.

(8) Personal property sold to an Illinois county fair association for use in conducting, operating, or promoting
(9) Personal property sold to a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(10) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(11) Personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for
charitable, religious, or educational purposes, or to a
not-for-profit corporation, society, association,
foundation, institution, or organization that has no
compensated officers or employees and that is organized
and operated primarily for the recreation of persons 55
years of age or older. A limited liability company may
qualify for the exemption under this paragraph only if the
limited liability company is organized and operated
exclusively for educational purposes. On and after July 1,
1987, however, no entity otherwise eligible for this
exemption shall make tax-free purchases unless it has an
active identification number issued by the Department.

(12) (Blank).

(12-5) On and after July 1, 2003 and through June 30,
2004, motor vehicles of the second division with a gross
vehicle weight in excess of 8,000 pounds that are subject
to the commercial distribution fee imposed under Section
3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
2004 and through June 30, 2005, the use in this State of
motor vehicles of the second division: (i) with a gross
vehicle weight rating in excess of 8,000 pounds; (ii) that
are subject to the commercial distribution fee imposed
under Section 3-815.1 of the Illinois Vehicle Code; and
(iii) that are primarily used for commercial purposes.
Through June 30, 2005, this exemption applies to repair
and replacement parts added after the initial purchase of
such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(13) Proceeds from sales to owners, lessors, or shippers of tangible personal property that is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(14) Machinery and equipment that will be used by the purchaser, or a lessee of the purchaser, primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether the sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether the sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial
value on special order for a particular purchaser. The
exemption provided by this paragraph (14) does not include
machinery and equipment used in (i) the generation of
electricity for wholesale or retail sale; (ii) the
generation or treatment of natural or artificial gas for
wholesale or retail sale that is delivered to customers
through pipes, pipelines, or mains; or (iii) the treatment
of water for wholesale or retail sale that is delivered to
customers through pipes, pipelines, or mains. The
provisions of Public Act 98-583 are declaratory of
existing law as to the meaning and scope of this
exemption. Beginning on July 1, 2017, the exemption
provided by this paragraph (14) includes, but is not
limited to, graphic arts machinery and equipment, as
defined in paragraph (4) of this Section.

(15) Proceeds of mandatory service charges separately
stated on customers' bills for purchase and consumption of
food and beverages, to the extent that the proceeds of the
service charge are in fact turned over as tips or as a
substitute for tips to the employees who participate
directly in preparing, serving, hosting or cleaning up the
food or beverage function with respect to which the
service charge is imposed.

(16) Tangible personal property sold to a purchaser if
the purchaser is exempt from use tax by operation of
federal law. This paragraph is exempt from the provisions
of Section 2-70.

(17) Tangible personal property sold to a common carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.

(18) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(19) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(20) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by
the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(21) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(22) Until June 30, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a
flight that (i) is engaged in foreign trade or is engaged
in trade between the United States and any of its
possessions and (ii) transports at least one individual or
package for hire from the city of origination to the city
of final destination on the same aircraft, without regard
to a change in the flight number of that aircraft.

(23) A transaction in which the purchase order is
received by a florist who is located outside Illinois, but
who has a florist located in Illinois deliver the property
to the purchaser or the purchaser's donee in Illinois.

(24) Fuel consumed or used in the operation of ships,
barges, or vessels that are used primarily in or for the
transportation of property or the conveyance of persons
for hire on rivers bordering on this State if the fuel is
delivered by the seller to the purchaser's barge, ship, or
vessel while it is afloat upon that bordering river.

(25) Except as provided in item (25-5) of this
Section, a motor vehicle sold in this State to a
nonresident even though the motor vehicle is delivered to
the nonresident in this State, if the motor vehicle is not
to be titled in this State, and if a drive-away permit is
issued to the motor vehicle as provided in Section 3-603
of the Illinois Vehicle Code or if the nonresident
purchaser has vehicle registration plates to transfer to
the motor vehicle upon returning to his or her home state.
The issuance of the drive-away permit or having the
out-of-state registration plates to be transferred is prima facie evidence that the motor vehicle will not be titled in this State.

(25-5) The exemption under item (25) does not apply if the state in which the motor vehicle will be titled does not allow a reciprocal exemption for a motor vehicle sold and delivered in that state to an Illinois resident but titled in Illinois. The tax collected under this Act on the sale of a motor vehicle in this State to a resident of another state that does not allow a reciprocal exemption shall be imposed at a rate equal to the state's rate of tax on taxable property in the state in which the purchaser is a resident, except that the tax shall not exceed the tax that would otherwise be imposed under this Act. At the time of the sale, the purchaser shall execute a statement, signed under penalty of perjury, of his or her intent to title the vehicle in the state in which the purchaser is a resident within 30 days after the sale and of the fact of the payment to the State of Illinois of tax in an amount equivalent to the state's rate of tax on taxable property in his or her state of residence and shall submit the statement to the appropriate tax collection agency in his or her state of residence. In addition, the retailer must retain a signed copy of the statement in his or her records. Nothing in this item shall be construed to require the removal of the vehicle from this state.
following the filing of an intent to title the vehicle in the purchaser's state of residence if the purchaser titles the vehicle in his or her state of residence within 30 days after the date of sale. The tax collected under this Act in accordance with this item (25-5) shall be proportionately distributed as if the tax were collected at the 6.25% general rate imposed under this Act.

   (25-7) Beginning on July 1, 2007, no tax is imposed under this Act on the sale of an aircraft, as defined in Section 3 of the Illinois Aeronautics Act, if all of the following conditions are met:

   (1) the aircraft leaves this State within 15 days after the later of either the issuance of the final billing for the sale of the aircraft, or the authorized approval for return to service, completion of the maintenance record entry, and completion of the test flight and ground test for inspection, as required by 14 C.F.R. 91.407;

   (2) the aircraft is not based or registered in this State after the sale of the aircraft; and

   (3) the seller retains in his or her books and records and provides to the Department a signed and dated certification from the purchaser, on a form prescribed by the Department, certifying that the requirements of this item (25-7) are met. The certificate must also include the name and address of
the purchaser, the address of the location where the
aircraft is to be titled or registered, the address of
the primary physical location of the aircraft, and
other information that the Department may reasonably
require.

For purposes of this item (25-7):

"Based in this State" means hangared, stored, or
otherwise used, excluding post-sale customizations as
defined in this Section, for 10 or more days in each
12-month period immediately following the date of the sale
of the aircraft.

"Registered in this State" means an aircraft
registered with the Department of Transportation,
Aeronautics Division, or titled or registered with the
Federal Aviation Administration to an address located in
this State.

This paragraph (25-7) is exempt from the provisions of
Section 2-70.

(26) Semen used for artificial insemination of
livestock for direct agricultural production.

(27) Horses, or interests in horses, registered with
and meeting the requirements of any of the Arabian Horse
Club Registry of America, Appaloosa Horse Club, American
Quarter Horse Association, United States Trotting
Association, or Jockey Club, as appropriate, used for
purposes of breeding or racing for prizes. This item (27)
is exempt from the provisions of Section 2-70, and the exemption provided for under this item (27) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(28) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(29) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or
federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(31) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(32) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 2-70.

(33) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is
donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(34) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to
fundraising events (i) for the benefit of private home
instruction or (ii) for which the fundraising entity
purchases the personal property sold at the events from
another individual or entity that sold the property for
the purpose of resale by the fundraising entity and that
profits from the sale to the fundraising entity. This
paragraph is exempt from the provisions of Section 2-70.

(35) Beginning January 1, 2000 and through December
31, 2001, new or used automatic vending machines that
prepare and serve hot food and beverages, including
coffee, soup, and other items, and replacement parts for
these machines. Beginning January 1, 2002 and through June
30, 2003, machines and parts for machines used in
commercial, coin-operated amusement and vending business
if a use or occupation tax is paid on the gross receipts
derived from the use of the commercial, coin-operated
amusement and vending machines. This paragraph is exempt
from the provisions of Section 2-70.

(35-5) Beginning August 23, 2001 and through June 30,
2016, food for human consumption that is to be consumed
off the premises where it is sold (other than alcoholic
beverages, soft drinks, and food that has been prepared
for immediate consumption) and prescription and
nonprescription medicines, drugs, medical appliances, and
insulin, urine testing materials, syringes, and needles
used by diabetics, for human use, when purchased for use
by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(36) Beginning August 2, 2001, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(37) Beginning August 2, 2001, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(38) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized
purchasing activities in Illinois who will, upon receipt
of the property in Illinois, temporarily store the
property in Illinois (i) for the purpose of subsequently
transporting it outside this State for use or consumption
thereafter solely outside this State or (ii) for the
purpose of being processed, fabricated, or manufactured
into, attached to, or incorporated into other tangible
personal property to be transported outside this State and
thereafter used or consumed solely outside this State. The
Director of Revenue shall, pursuant to rules adopted in
accordance with the Illinois Administrative Procedure Act,
issue a permit to any taxpayer in good standing with the
Department who is eligible for the exemption under this
paragraph (38). The permit issued under this paragraph
(38) shall authorize the holder, to the extent and in the
manner specified in the rules adopted under this Act, to
purchase tangible personal property from a retailer exempt
from the taxes imposed by this Act. Taxpayers shall
maintain all necessary books and records to substantiate
the use and consumption of all such tangible personal
property outside of the State of Illinois.

(39) Beginning January 1, 2008, tangible personal
property used in the construction or maintenance of a
community water supply, as defined under Section 3.145 of
the Environmental Protection Act, that is operated by a
not-for-profit corporation that holds a valid water supply
permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 2-70.

(40) Beginning January 1, 2010 and continuing through December 31, 2024, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the sale of qualifying tangible personal property to persons who modify, refurbish, complete, replace, or maintain an aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation
Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (40) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (40) applies continuously from January 1, 2010 through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to the effective date of this amendatory Act of the 101st General Assembly.

(41) Tangible personal property sold to a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in
Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 2-70.

(42) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(43) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental purchase agreement, as defined in the Rental Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 2-70.

(44) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the
original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (44) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (44):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of
any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated into the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (44) is exempt from the provisions of Section 2-70.

(45) Beginning January 1, 2020 and through December 31, 2020, sales of tangible personal property made by a marketplace seller over a marketplace for which tax is due under this Act but for which use tax has been collected and remitted to the Department by a marketplace facilitator under Section 2d of the Use Tax Act are exempt from tax under this Act. A marketplace seller claiming this exemption shall maintain books and records demonstrating that the use tax on such sales has been collected and remitted by a marketplace facilitator. Marketplace sellers
that have properly remitted tax under this Act on such sales may file a claim for credit as provided in Section 6 of this Act. No claim is allowed, however, for such taxes for which a credit or refund has been issued to the marketplace facilitator under the Use Tax Act, or for which the marketplace facilitator has filed a claim for credit or refund under the Use Tax Act.

(46) Beginning July 1, 2022, breast pumps, breast pump collection and storage supplies, and breast pump kits. This item (46) is exempt from the provisions of Section 2-70. As used in this item (46):

"Breast pump" means an electrically controlled or manually controlled pump device designed or marketed to be used to express milk from a human breast during lactation, including the pump device and any battery, AC adapter, or other power supply unit that is used to power the pump device and is packaged and sold with the pump device at the time of sale.

"Breast pump collection and storage supplies" means items of tangible personal property designed or marketed to be used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption.

"Breast pump collection and storage supplies" includes, but is not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters;
breast pump valves and membranes; backflow protectors and
backflow protector adaptors; bottles and bottle caps
specific to the operation of the breast pump; and breast
milk storage bags.

"Breast pump collection and storage supplies" does not
include: (1) bottles and bottle caps not specific to the
operation of the breast pump; (2) breast pump travel bags
and other similar carrying accessories, including ice
packs, labels, and other similar products; (3) breast pump
cleaning supplies; (4) nursing bras, bra pads, breast
shells, and other similar products; and (5) creams,
ointments, and other similar products that relieve
breastfeeding-related symptoms or conditions of the
breasts or nipples, unless sold as part of a breast pump
kit that is pre-packaged by the breast pump manufacturer
or distributor.

"Breast pump kit" means a kit that: (1) contains no
more than a breast pump, breast pump collection and
storage supplies, a rechargeable battery for operating the
breast pump, a breastmilk cooler, bottle stands, ice
packs, and a breast pump carrying case; and (2) is
pre-packaged as a breast pump kit by the breast pump
manufacturer or distributor.

(Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
8-27-21; revised 11-9-21.)
ARTICLE 75. USE AND OCCUPATION TAXES—EQUIPMENT

Section 75-5. The Use Tax Act is amended by changing Section 3-5 as follows:

(35 ILCS 105/3-5)

Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to,
music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or by a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

(5) Until July 1, 2003, a passenger car that is a replacement vehicle to the extent that the purchase price of the car is subject to the Replacement Vehicle Tax.

(6) Until July 1, 2003 and beginning again on September 1,
2004 through August 30, 2014, graphic arts machinery and
equipment, including repair and replacement parts, both new
and used, and including that manufactured on special order,
certified by the purchaser to be used primarily for graphic
arts production, and including machinery and equipment
purchased for lease. Equipment includes chemicals or chemicals
acting as catalysts but only if the chemicals or chemicals
acting as catalysts effect a direct and immediate change upon
a graphic arts product. Beginning on July 1, 2017, graphic
arts machinery and equipment is included in the manufacturing
and assembling machinery and equipment exemption under
paragraph (18).

(7) Farm chemicals.

(8) Legal tender, currency, medallions, or gold or silver
coinage issued by the State of Illinois, the government of the
United States of America, or the government of any foreign
country, and bullion.

(9) Personal property purchased from a teacher-sponsored
student organization affiliated with an elementary or
secondary school located in Illinois.

(10) A motor vehicle that is used for automobile renting,
as defined in the Automobile Renting Occupation and Use Tax
Act.

(11) Farm machinery and equipment, both new and used,
including that manufactured on special order, certified by the
purchaser to be used primarily for production agriculture or
State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (11). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the
computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (11) is exempt from the provisions of Section 3-90.

(12) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(13) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages purchased at retail from a retailer, to the
extent that the proceeds of the service charge are in fact
turned over as tips or as a substitute for tips to the
employees who participate directly in preparing, serving,
hosting or cleaning up the food or beverage function with
respect to which the service charge is imposed.

(14) Until July 1, 2003, oil field exploration, drilling,
and production equipment, including (i) rigs and parts of
rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
pipe and tubular goods, including casing and drill strings,
(iii) pumps and pump-jack units, (iv) storage tanks and flow
lines, (v) any individual replacement part for oil field
exploration, drilling, and production equipment, and (vi)
machinery and equipment purchased for lease; but excluding
motor vehicles required to be registered under the Illinois
Vehicle Code.

(15) Photoprocessing machinery and equipment, including
repair and replacement parts, both new and used, including
that manufactured on special order, certified by the purchaser
to be used primarily for photoprocessing, and including
photoprocessing machinery and equipment purchased for lease.

(16) Until July 1, 2028, July 1, 2023, coal and aggregate
exploration, mining, off-highway hauling, processing,
maintenance, and reclamation equipment, including replacement
parts and equipment, and including equipment purchased for
lease, but excluding motor vehicles required to be registered
under the Illinois Vehicle Code. The changes made to this
Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(17) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(18) Manufacturing and assembling machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether that sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether that sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (18) includes production related tangible personal property, as defined in Section 3-50, purchased on or after July 1, 2019. The exemption provided by this paragraph (18) does not include machinery and equipment used in (i) the
generation of electricity for wholesale or retail sale; (ii)
the generation or treatment of natural or artificial gas for
wholesale or retail sale that is delivered to customers
through pipes, pipelines, or mains; or (iii) the treatment of
water for wholesale or retail sale that is delivered to
customers through pipes, pipelines, or mains. The provisions
of Public Act 98-583 are declaratory of existing law as to the
meaning and scope of this exemption. Beginning on July 1,
2017, the exemption provided by this paragraph (18) includes,
but is not limited to, graphic arts machinery and equipment,
as defined in paragraph (6) of this Section.

(19) Personal property delivered to a purchaser or
purchaser's donee inside Illinois when the purchase order for
that personal property was received by a florist located
outside Illinois who has a florist located inside Illinois
deliver the personal property.

(20) Semen used for artificial insemination of livestock
for direct agricultural production.

(21) Horses, or interests in horses, registered with and
meeting the requirements of any of the Arabian Horse Club
Registry of America, Appaloosa Horse Club, American Quarter
Horse Association, United States Trotting Association, or
Jockey Club, as appropriate, used for purposes of breeding or
racing for prizes. This item (21) is exempt from the
provisions of Section 3-90, and the exemption provided for
under this item (21) applies for all periods beginning May 30,
1995, but no claim for credit or refund is allowed on or after January 1, 2008 for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008.

(22) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.
(23) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(24) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a
manufacturer or retailer that is registered in this State to a 
corporation, society, association, foundation, or institution 
that has been issued a sales tax exemption identification 
number by the Department that assists victims of the disaster 
who reside within the declared disaster area.

(25) Beginning with taxable years ending on or after 
December 31, 1995 and ending with taxable years ending on or 
before December 31, 2004, personal property that is used in 
the performance of infrastructure repairs in this State, 
including but not limited to municipal roads and streets, 
access roads, bridges, sidewalks, waste disposal systems, 
water and sewer line extensions, water distribution and 
purification facilities, storm water drainage and retention 
facilities, and sewage treatment facilities, resulting from a 
State or federally declared disaster in Illinois or bordering 
Illinois when such repairs are initiated on facilities located 
in the declared disaster area within 6 months after the 
disaster.

(26) Beginning July 1, 1999, game or game birds purchased 
at a "game breeding and hunting preserve area" as that term is 
used in the Wildlife Code. This paragraph is exempt from the 
provisions of Section 3-90.

(27) A motor vehicle, as that term is defined in Section 
1-146 of the Illinois Vehicle Code, that is donated to a 
corporation, limited liability company, society, association, 
foundation, or institution that is determined by the
Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(28) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the
purpose of resale by the fundraising entity and that profits
from the sale to the fundraising entity. This paragraph is
exempt from the provisions of Section 3-90.

(29) Beginning January 1, 2000 and through December 31,
2001, new or used automatic vending machines that prepare and
serve hot food and beverages, including coffee, soup, and
other items, and replacement parts for these machines.
Beginning January 1, 2002 and through June 30, 2003, machines
and parts for machines used in commercial, coin-operated
amusement and vending business if a use or occupation tax is
paid on the gross receipts derived from the use of the
commercial, coin-operated amusement and vending machines. This
paragraph is exempt from the provisions of Section 3-90.

(30) Beginning January 1, 2001 and through June 30, 2016,
food for human consumption that is to be consumed off the
premises where it is sold (other than alcoholic beverages,
soft drinks, and food that has been prepared for immediate
consumption) and prescription and nonprescription medicines,
drugs, medical appliances, and insulin, urine testing
materials, syringes, and needles used by diabetics, for human
use, when purchased for use by a person receiving medical
assistance under Article V of the Illinois Public Aid Code who
resides in a licensed long-term care facility, as defined in
the Nursing Home Care Act, or in a licensed facility as defined
in the ID/DD Community Care Act, the MC/DD Act, or the
Specialized Mental Health Rehabilitation Act of 2013.
(31) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(32) Beginning on August 2, 2001 (the effective date of
Public Act 92-227), personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(33) On and after July 1, 2003 and through June 30, 2004, the use in this State of motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds and that are subject to the commercial distribution fee imposed under
Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, the term "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise, whether for-hire or not.

(34) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-90.

(35) Beginning January 1, 2010 and continuing through December 31, 2024, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement,
repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property by persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (35) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (35) applies continuously from January 1, 2010 through December 31, 2024; however, no claim
for credit or refund is allowed for taxes paid as a result of
the disallowance of this exemption on or after January 1, 2015
and prior to the effective date of this amendatory Act of the
101st General Assembly.

(36) Tangible personal property purchased by a
public-facilities corporation, as described in Section
11-65-10 of the Illinois Municipal Code, for purposes of
constructing or furnishing a municipal convention hall, but
only if the legal title to the municipal convention hall is
transferred to the municipality without any further
consideration by or on behalf of the municipality at the time
of the completion of the municipal convention hall or upon the
retirement or redemption of any bonds or other debt
instruments issued by the public-facilities corporation in
connection with the development of the municipal convention
hall. This exemption includes existing public-facilities
corporations as provided in Section 11-65-25 of the Illinois
Municipal Code. This paragraph is exempt from the provisions
of Section 3-90.

(37) Beginning January 1, 2017 and through December 31,
2026, menstrual pads, tampons, and menstrual cups.

(38) Merchandise that is subject to the Rental Purchase
Agreement Occupation and Use Tax. The purchaser must certify
that the item is purchased to be rented subject to a rental
purchase agreement, as defined in the Rental Purchase
Agreement Act, and provide proof of registration under the
Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 3-90.

(39) Tangible personal property purchased by a purchaser who is exempt from the tax imposed by this Act by operation of federal law. This paragraph is exempt from the provisions of Section 3-90.

(40) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had Public Act 101-31 been in effect may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (40) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (40):
"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically
incorporated in to the qualifying data center. To document
the exemption allowed under this Section, the retailer
must obtain from the purchaser a copy of the certificate
of eligibility issued by the Department of Commerce and
Economic Opportunity.

This item (40) is exempt from the provisions of Section
3-90.
(Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
6-17-21.)

Section 75-10. The Service Use Tax Act is amended by
changing Section 3-5 as follows:

(35 ILCS 110/3-5)

Sec. 3-5. Exemptions. Use of the following tangible
personal property is exempt from the tax imposed by this Act:
(1) Personal property purchased from a corporation,
society, association, foundation, institution, or
organization, other than a limited liability company, that is
organized and operated as a not-for-profit service enterprise
for the benefit of persons 65 years of age or older if the
personal property was not purchased by the enterprise for the
purpose of resale by the enterprise.
(2) Personal property purchased by a non-profit Illinois
county fair association for use in conducting, operating, or
promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(5) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes
chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under Section 2 of this Act.

(6) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted
on a motor vehicle required to be licensed if the selling price
of the tender is separately stated.

Farm machinery and equipment shall include precision
farming equipment that is installed or purchased to be
installed on farm machinery and equipment including, but not
limited to, tractors, harvesters, sprayers, planters, seeders,
or spreaders. Precision farming equipment includes, but is not
limited to, soil testing sensors, computers, monitors,
software, global positioning and mapping systems, and other
such equipment.

Farm machinery and equipment also includes computers,
sensors, software, and related equipment used primarily in the
computer-assisted operation of production agriculture
facilities, equipment, and activities such as, but not limited
to, the collection, monitoring, and correlation of animal and
crop data for the purpose of formulating animal diets and
agricultural chemicals. This item (7) is exempt from the
provisions of Section 3-75.

(8) Until June 30, 2013, fuel and petroleum products sold
to or used by an air common carrier, certified by the carrier
to be used for consumption, shipment, or storage in the
conduct of its business as an air common carrier, for a flight
destined for or returning from a location or locations outside
the United States without regard to previous or subsequent
domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold
to or used by an air carrier, certified by the carrier to be
used for consumption, shipment, or storage in the conduct of
its business as an air common carrier, for a flight that (i) is
engaged in foreign trade or is engaged in trade between the
United States and any of its possessions and (ii) transports
at least one individual or package for hire from the city of
origination to the city of final destination on the same
aircraft, without regard to a change in the flight number of
that aircraft.

(9) Proceeds of mandatory service charges separately
stated on customers' bills for the purchase and consumption of
food and beverages acquired as an incident to the purchase of a
service from a serviceman, to the extent that the proceeds of
the service charge are in fact turned over as tips or as a
substitute for tips to the employees who participate directly
in preparing, serving, hosting or cleaning up the food or
beverage function with respect to which the service charge is
imposed.

(10) Until July 1, 2003, oil field exploration, drilling,
and production equipment, including (i) rigs and parts of
rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
pipe and tubular goods, including casing and drill strings,
(iii) pumps and pump-jack units, (iv) storage tanks and flow
lines, (v) any individual replacement part for oil field
exploration, drilling, and production equipment, and (vi)
machinery and equipment purchased for lease; but excluding
motor vehicles required to be registered under the Illinois Vehicle Code.

(11) Proceeds from the sale of photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(12) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(13) Semen used for artificial insemination of livestock for direct agricultural production.

(14) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or
racing for prizes. This item (14) is exempt from the provisions of Section 3-75, and the exemption provided for under this item (14) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(15) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any
such amount from the lessee, the lessee shall have a legal
right to claim a refund of that amount from the lessor. If,
however, that amount is not refunded to the lessee for any
reason, the lessor is liable to pay that amount to the
Department.

(16) Personal property purchased by a lessor who leases
the property, under a lease of one year or longer executed or
in effect at the time the lessor would otherwise be subject to
the tax imposed by this Act, to a governmental body that has
been issued an active tax exemption identification number by
the Department under Section 1g of the Retailers' Occupation
Tax Act. If the property is leased in a manner that does not
qualify for this exemption or is used in any other non-exempt
manner, the lessor shall be liable for the tax imposed under
this Act or the Use Tax Act, as the case may be, based on the
fair market value of the property at the time the
non-qualifying use occurs. No lessor shall collect or attempt
to collect an amount (however designated) that purports to
reimburse that lessor for the tax imposed by this Act or the
Use Tax Act, as the case may be, if the tax has not been paid
by the lessor. If a lessor improperly collects any such amount
from the lessee, the lessee shall have a legal right to claim a
refund of that amount from the lessor. If, however, that
amount is not refunded to the lessee for any reason, the lessor
is liable to pay that amount to the Department.

(17) Beginning with taxable years ending on or after
December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(18) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(19) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-75.
(20) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(21) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph
does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-75.

(22) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-75.

(23) Beginning August 23, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who
resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(24) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any
reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(26) Beginning January 1, 2008, tangible personal property
used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-75.

(27) Beginning January 1, 2010 and continuing through December 31, 2024, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property transferred incident to the modification, refurbishment, completion, replacement, repair, or maintenance of aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the
Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (27) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (27) applies continuously from January 1, 2010 through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to the effective date of this amendatory Act of the 101st General Assembly.

(28) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall.
hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-75.

(29) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(30) Tangible personal property transferred to a purchaser who is exempt from the tax imposed by this Act by operation of federal law. This paragraph is exempt from the provisions of Section 3-75.

(31) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (31) to
qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (31):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means:

electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible
personal property; and all other tangible personal
property that is essential to the operations of a computer
data center. The term "qualified tangible personal
property" also includes building materials physically
incorporated into the qualifying data center. To document
the exemption allowed under this Section, the retailer
must obtain from the purchaser a copy of the certificate
of eligibility issued by the Department of Commerce and
Economic Opportunity.

This item (31) is exempt from the provisions of Section
3-75.
(Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

Section 75-15. The Service Occupation Tax Act is amended
by changing Section 3-5 as follows:

(35 ILCS 115/3-5)

Sec. 3-5. Exemptions. The following tangible personal
property is exempt from the tax imposed by this Act:

(1) Personal property sold by a corporation, society,
association, foundation, institution, or organization, other
than a limited liability company, that is organized and
operated as a not-for-profit service enterprise for the
benefit of persons 65 years of age or older if the personal
property was not purchased by the enterprise for the purpose
of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by any not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(5) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new
and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under Section 2 of this Act.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and
equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 3-55.

(8) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside
the United States without regard to previous or subsequent
domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold
to or used by an air carrier, certified by the carrier to be
used for consumption, shipment, or storage in the conduct of
its business as an air common carrier, for a flight that (i) is
engaged in foreign trade or is engaged in trade between the
United States and any of its possessions and (ii) transports
at least one individual or package for hire from the city of
origination to the city of final destination on the same
aircraft, without regard to a change in the flight number of
that aircraft.

(9) Proceeds of mandatory service charges separately
stated on customers' bills for the purchase and consumption of
food and beverages, to the extent that the proceeds of the
service charge are in fact turned over as tips or as a
substitute for tips to the employees who participate directly
in preparing, serving, hosting or cleaning up the food or
beverage function with respect to which the service charge is
imposed.

(10) Until July 1, 2003, oil field exploration, drilling,
and production equipment, including (i) rigs and parts of
rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
pipe and tubular goods, including casing and drill strings,
(iii) pumps and pump-jack units, (iv) storage tanks and flow
lines, (v) any individual replacement part for oil field

(11) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(12) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(13) Beginning January 1, 1992 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, and insulin, urine testing
materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(14) Semen used for artificial insemination of livestock for direct agricultural production.

(15) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (15) is exempt from the provisions of Section 3-55, and the exemption provided for under this item (15) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(16) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer
executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act.

(17) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act.

(18) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(19) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems,
water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(20) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-55.

(21) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of
study of not less than 6 weeks duration and designed to prepare
individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(22) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-55.

(23) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the
commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-55.

(24) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. This paragraph is exempt from the provisions of Section 3-55.

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. This paragraph is exempt from the provisions of Section 3-55.

(26) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this
State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (26). The permit issued under this paragraph (26) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(27) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-55.

(28) Tangible personal property sold to a public-facilities corporation, as described in Section
11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-55.

(29) Beginning January 1, 2010 and continuing through December 31, 2024, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft.

"Consumable supplies" include, but are not limited to,
adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the transfer of qualifying tangible personal property incident to the modification, refurbishment, completion, replacement, repair, or maintenance of an aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (29) by Public Act 98-534 are declarative of existing law. It is the intent of the General Assembly that the exemption under this paragraph (29) applies continuously from January 1, 2010 through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to the effective date of this amendatory Act of the 101st General Assembly.

(30) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(31) Tangible personal property transferred to a purchaser who is exempt from tax by operation of federal law. This
paragraph is exempt from the provisions of Section 3-55.

(32) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (32) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (32):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means:
electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.
This item (32) is exempt from the provisions of Section 3-55.
(Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

Section 75-20. The Retailers' Occupation Tax Act is amended by changing Section 2-5 as follows:

(35 ILCS 120/2-5)
Sec. 2-5. Exemptions. Gross receipts from proceeds from the sale of the following tangible personal property are exempt from the tax imposed by this Act:

(1) Farm chemicals.

(2) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses
or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeder, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (2) is exempt from the provisions of Section 2-70.

(3) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed
by the retailer, certified by the user to be used only for
the production of ethyl alcohol that will be used for
consumption as motor fuel or as a component of motor fuel
for the personal use of the user, and not subject to sale
or resale.

(4) Until July 1, 2003 and beginning again September
1, 2004 through August 30, 2014, graphic arts machinery
and equipment, including repair and replacement parts,
both new and used, and including that manufactured on
special order or purchased for lease, certified by the
purchaser to be used primarily for graphic arts
production. Equipment includes chemicals or chemicals
acting as catalysts but only if the chemicals or chemicals
acting as catalysts effect a direct and immediate change
upon a graphic arts product. Beginning on July 1, 2017,
graphic arts machinery and equipment is included in the
manufacturing and assembling machinery and equipment
exemption under paragraph (14).

(5) A motor vehicle that is used for automobile
renting, as defined in the Automobile Renting Occupation
and Use Tax Act. This paragraph is exempt from the
provisions of Section 2-70.

(6) Personal property sold by a teacher-sponsored
student organization affiliated with an elementary or
secondary school located in Illinois.

(7) Until July 1, 2003, proceeds of that portion of
the selling price of a passenger car the sale of which is
subject to the Replacement Vehicle Tax.

(8) Personal property sold to an Illinois county fair
association for use in conducting, operating, or promoting
the county fair.

(9) Personal property sold to a not-for-profit arts or
cultural organization that establishes, by proof required
by the Department by rule, that it has received an
exemption under Section 501(c)(3) of the Internal Revenue
Code and that is organized and operated primarily for the
presentation or support of arts or cultural programming,
activities, or services. These organizations include, but
are not limited to, music and dramatic arts organizations
such as symphony orchestras and theatrical groups, arts
and cultural service organizations, local arts councils,
visual arts organizations, and media arts organizations.
On and after July 1, 2001 (the effective date of Public Act
92-35), however, an entity otherwise eligible for this
exemption shall not make tax-free purchases unless it has
an active identification number issued by the Department.

(10) Personal property sold by a corporation, society,
association, foundation, institution, or organization,
other than a limited liability company, that is organized
and operated as a not-for-profit service enterprise for
the benefit of persons 65 years of age or older if the
personal property was not purchased by the enterprise for
the purpose of resale by the enterprise.

(11) Personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active identification number issued by the Department.

(12) (Blank).

(12-5) On and after July 1, 2003 and through June 30, 2004, motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed
under Section 3-815.1 of the Illinois Vehicle Code; and
(iii) that are primarily used for commercial purposes.
Through June 30, 2005, this exemption applies to repair
and replacement parts added after the initial purchase of
such a motor vehicle if that motor vehicle is used in a
manner that would qualify for the rolling stock exemption
otherwise provided for in this Act. For purposes of this
paragraph, "used for commercial purposes" means the
transportation of persons or property in furtherance of
any commercial or industrial enterprise whether for-hire
or not.

(13) Proceeds from sales to owners, lessors, or
shippers of tangible personal property that is utilized by
interstate carriers for hire for use as rolling stock
moving in interstate commerce and equipment operated by a
telecommunications provider, licensed as a common carrier
by the Federal Communications Commission, which is
permanently installed in or affixed to aircraft moving in
interstate commerce.

(14) Machinery and equipment that will be used by the
purchaser, or a lessee of the purchaser, primarily in the
process of manufacturing or assembling tangible personal
property for wholesale or retail sale or lease, whether
the sale or lease is made directly by the manufacturer or
by some other person, whether the materials used in the
process are owned by the manufacturer or some other
person, or whether the sale or lease is made apart from or as an incident to the seller’s engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (14) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (14) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (4) of this Section.

(15) Proceeds of mandatory service charges separately stated on customers’ bills for purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the
service charge is imposed.

(16) Tangible personal property sold to a purchaser if the purchaser is exempt from use tax by operation of federal law. This paragraph is exempt from the provisions of Section 2-70.

(17) Tangible personal property sold to a common carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.

(18) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(19) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required
to be registered under the Illinois Vehicle Code.

(20) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(21) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(22) Until June 30, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to
previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(23) A transaction in which the purchase order is received by a florist who is located outside Illinois, but who has a florist located in Illinois deliver the property to the purchaser or the purchaser's donee in Illinois.

(24) Fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property or the conveyance of persons for hire on rivers bordering on this State if the fuel is delivered by the seller to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river.

(25) Except as provided in item (25-5) of this Section, a motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a drive-away permit is
issued to the motor vehicle as provided in Section 3-603
of the Illinois Vehicle Code or if the nonresident
purchaser has vehicle registration plates to transfer to
the motor vehicle upon returning to his or her home state.
The issuance of the drive-away permit or having the
out-of-state registration plates to be transferred is
prima facie evidence that the motor vehicle will not be
titled in this State.

(25-5) The exemption under item (25) does not apply if
the state in which the motor vehicle will be titled does
not allow a reciprocal exemption for a motor vehicle sold
and delivered in that state to an Illinois resident but
titled in Illinois. The tax collected under this Act on
the sale of a motor vehicle in this State to a resident of
another state that does not allow a reciprocal exemption
shall be imposed at a rate equal to the state's rate of tax
on taxable property in the state in which the purchaser is
a resident, except that the tax shall not exceed the tax
that would otherwise be imposed under this Act. At the
time of the sale, the purchaser shall execute a statement,
signed under penalty of perjury, of his or her intent to
title the vehicle in the state in which the purchaser is a
resident within 30 days after the sale and of the fact of
the payment to the State of Illinois of tax in an amount
equivalent to the state's rate of tax on taxable property
in his or her state of residence and shall submit the
statement to the appropriate tax collection agency in his or her state of residence. In addition, the retailer must retain a signed copy of the statement in his or her records. Nothing in this item shall be construed to require the removal of the vehicle from this state following the filing of an intent to title the vehicle in the purchaser's state of residence if the purchaser titles the vehicle in his or her state of residence within 30 days after the date of sale. The tax collected under this Act in accordance with this item (25-5) shall be proportionately distributed as if the tax were collected at the 6.25% general rate imposed under this Act.

(25-7) Beginning on July 1, 2007, no tax is imposed under this Act on the sale of an aircraft, as defined in Section 3 of the Illinois Aeronautics Act, if all of the following conditions are met:

(1) the aircraft leaves this State within 15 days after the later of either the issuance of the final billing for the sale of the aircraft, or the authorized approval for return to service, completion of the maintenance record entry, and completion of the test flight and ground test for inspection, as required by 14 C.F.R. 91.407;

(2) the aircraft is not based or registered in this State after the sale of the aircraft; and

(3) the seller retains in his or her books and
records and provides to the Department a signed and
dated certification from the purchaser, on a form
prescribed by the Department, certifying that the
requirements of this item (25-7) are met. The
certificate must also include the name and address of
the purchaser, the address of the location where the
aircraft is to be titled or registered, the address of
the primary physical location of the aircraft, and
other information that the Department may reasonably
require.

For purposes of this item (25-7):
"Based in this State" means hangared, stored, or
otherwise used, excluding post-sale customizations as
defined in this Section, for 10 or more days in each
12-month period immediately following the date of the sale
of the aircraft.

"Registered in this State" means an aircraft
registered with the Department of Transportation,
Aeronautics Division, or titled or registered with the
Federal Aviation Administration to an address located in
this State.

This paragraph (25-7) is exempt from the provisions of
Section 2-70.

(26) Semen used for artificial insemination of
livestock for direct agricultural production.

(27) Horses, or interests in horses, registered with
and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (27) is exempt from the provisions of Section 2-70, and the exemption provided for under this item (27) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(28) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(29) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g
of this Act.

(30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(31) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(32) Beginning July 1, 1999, game or game birds sold
at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 2-70.

(33) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(34) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary
school, a group of those schools, or one or more school
districts if the events are sponsored by an entity
recognized by the school district that consists primarily
of volunteers and includes parents and teachers of the
school children. This paragraph does not apply to
fundraising events (i) for the benefit of private home
instruction or (ii) for which the fundraising entity
purchases the personal property sold at the events from
another individual or entity that sold the property for
the purpose of resale by the fundraising entity and that
profits from the sale to the fundraising entity. This
paragraph is exempt from the provisions of Section 2-70.

(35) Beginning January 1, 2000 and through December
31, 2001, new or used automatic vending machines that
prepare and serve hot food and beverages, including
coffee, soup, and other items, and replacement parts for
these machines. Beginning January 1, 2002 and through June
30, 2003, machines and parts for machines used in
commercial, coin-operated amusement and vending business
if a use or occupation tax is paid on the gross receipts
derived from the use of the commercial, coin-operated
amusement and vending machines. This paragraph is exempt
from the provisions of Section 2-70.

(35-5) Beginning August 23, 2001 and through June 30,
2016, food for human consumption that is to be consumed
off the premises where it is sold (other than alcoholic
beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(36) Beginning August 2, 2001, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(37) Beginning August 2, 2001, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the
Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(38) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (38). The permit issued under this paragraph (38) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.
(39) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 2-70.

(40) Beginning January 1, 2010 and continuing through December 31, 2024, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the sale of qualifying tangible personal property to persons who modify, refurbish, complete, replace, or
maintain an aircraft and who (i) hold an Air Agency
Certificate and are empowered to operate an approved
repair station by the Federal Aviation Administration,
(ii) have a Class IV Rating, and (iii) conduct operations
in accordance with Part 145 of the Federal Aviation
Regulations. The exemption does not include aircraft
operated by a commercial air carrier providing scheduled
passenger air service pursuant to authority issued under
Part 121 or Part 129 of the Federal Aviation Regulations.
The changes made to this paragraph (40) by Public Act
98-534 are declarative of existing law. It is the intent
of the General Assembly that the exemption under this
paragraph (40) applies continuously from January 1, 2010
through December 31, 2024; however, no claim for credit or
refund is allowed for taxes paid as a result of the
disallowance of this exemption on or after January 1, 2015
and prior to the effective date of this amendatory Act of
the 101st General Assembly.

(41) Tangible personal property sold to a
public-facilities corporation, as described in Section
11-65-10 of the Illinois Municipal Code, for purposes of
constructing or furnishing a municipal convention hall,
but only if the legal title to the municipal convention
hall is transferred to the municipality without any
further consideration by or on behalf of the municipality
at the time of the completion of the municipal convention
hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 2-70.

(42) Beginning January 1, 2017 and through December 31, 2026, menstrual pads, tampons, and menstrual cups.

(43) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental purchase agreement, as defined in the Rental Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 2-70.

(44) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act
of the 101st General Assembly been in effect, may apply
for and obtain an exemption for subsequent purchases of
computer equipment or enabling software purchased or
leased to upgrade, supplement, or replace computer
equipment or enabling software purchased or leased in the
original investment that would have qualified.

The Department of Commerce and Economic Opportunity
shall grant a certificate of exemption under this item
(44) to qualified data centers as defined by Section
605-1025 of the Department of Commerce and Economic
Opportunity Law of the Civil Administrative Code of
Illinois.

For the purposes of this item (44):

"Data center" means a building or a series of
buildings rehabilitated or constructed to house
working servers in one physical location or multiple
sites within the State of Illinois.

"Qualified tangible personal property" means:
electrical systems and equipment; climate control and
chilling equipment and systems; mechanical systems and
equipment; monitoring and secure systems; emergency
generators; hardware; computers; servers; data storage
devices; network connectivity equipment; racks;
cabinets; telecommunications cabling infrastructure;
raised floor systems; peripheral components or
systems; software; mechanical, electrical, or plumbing
systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated into the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (44) is exempt from the provisions of Section 2-70.

(45) Beginning January 1, 2020 and through December 31, 2020, sales of tangible personal property made by a marketplace seller over a marketplace for which tax is due under this Act but for which use tax has been collected and remitted to the Department by a marketplace facilitator
under Section 2d of the Use Tax Act are exempt from tax under this Act. A marketplace seller claiming this exemption shall maintain books and records demonstrating that the use tax on such sales has been collected and remitted by a marketplace facilitator. Marketplace sellers that have properly remitted tax under this Act on such sales may file a claim for credit as provided in Section 6 of this Act. No claim is allowed, however, for such taxes for which a credit or refund has been issued to the marketplace facilitator under the Use Tax Act, or for which the marketplace facilitator has filed a claim for credit or refund under the Use Tax Act.

(Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff. 8-27-21; revised 11-9-21.)

ARTICLE 80. STATE FINANCE ACT

Section 80-5. The State Finance Act is amended by changing Section 8g-1 as follows:

(30 ILCS 105/8g-1)

Sec. 8g-1. Fund transfers.

(a) (Blank).

(b) (Blank).

(c) (Blank).
In addition to any other transfers that may be provided for by law, on July 1, 2021, or as soon thereafter as practical, only as directed by the Director of the Governor's Office of Management and Budget, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $5,000,000 from the General Revenue Fund to the DoIT Special Projects Fund, and on June 1, 2022, or as soon thereafter as practical, but no later than June 30, 2022, the State Comptroller shall direct and the State Treasurer shall
transfer the sum so transferred from the DoIT Special Projects Fund to the General Revenue Fund.

(v) In addition to any other transfers that may be provided for by law, on July 1, 2021, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $500,000 from the General Revenue Fund to the Governor's Administrative Fund.

(w) In addition to any other transfers that may be provided for by law, on July 1, 2021, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $500,000 from the General Revenue Fund to the Grant Accountability and Transparency Fund.

(x) In addition to any other transfers that may be provided for by law, at a time or times during Fiscal Year 2022 as directed by the Governor, the State Comptroller shall direct and the State Treasurer shall transfer up to a total of $20,000,000 from the General Revenue Fund to the Illinois Sports Facilities Fund to be credited to the Advance Account within the Fund.

(y) In addition to any other transfers that may be provided for by law, on June 15, 2021, or as soon thereafter as practical, but no later than June 30, 2021, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $100,000,000 from the General Revenue Fund to the Technology Management Revolving Fund.
In addition to any other transfers that may be provided for by law, on the effective date of this amendatory Act of the 102nd General Assembly, or as soon thereafter as practical, but no later than June 30, 2022, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $720,000,000 from the General Revenue Fund to the Budget Stabilization Fund.

In addition to any other transfers that may be provided for by law, on July 1, 2022, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $280,000,000 from the General Revenue Fund to the Budget Stabilization Fund.

In addition to any other transfers that may be provided for by law, on July 1, 2022, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $200,000,000 from the General Revenue Fund to the Pension Stabilization Fund.

(Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20; 102-16, eff. 6-17-21.)

ARTICLE 85. INCOME TAX-INSTRUCTIONAL MATERIALS

Section 85-5. The Illinois Income Tax Act is amended by changing Section 225 as follows:

(35 ILCS 5/225)
Sec. 225. Credit for instructional materials and supplies.
For taxable years beginning on and after January 1, 2017, a taxpayer shall be allowed a credit in the amount paid by the taxpayer during the taxable year for instructional materials and supplies with respect to classroom based instruction in a qualified school, or the maximum credit amount $250, whichever is less, provided that the taxpayer is a teacher, instructor, counselor, principal, or aide in a qualified school for at least 900 hours during a school year.

The credit may not be carried back and may not reduce the taxpayer's liability to less than zero. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.

For purposes of this Section, the term "materials and supplies" means amounts paid for instructional materials or supplies that are designated for classroom use in any qualified school. For purposes of this Section, the term "qualified school" means a public school or non-public school located in Illinois.

For purposes of this Section, the term "maximum credit amount" means (i) $250 for taxable years beginning prior to
January 1, 2023 and (ii) $500 for taxable years beginning on or after January 1, 2023.

This Section is exempt from the provisions of Section 250.
(Source: P.A. 100-22, eff. 7-6-17.)

ARTICLE 95. AGRITOURISM

Section 95-3. The Illinois Administrative Procedure Act is amended by adding Section 5-45.22 as follows:

(5 ILCS 100/5-45.22 new)

Sec. 5-45.22. Emergency rulemaking. To provide for the expeditious and timely implementation of Article 95 of this amendatory Act of the 102nd General Assembly, emergency rules implementing Article 95 of this amendatory Act of the 102nd General Assembly may be adopted in accordance with Section 5-45 by the Department of Agriculture. The adoption of emergency rules authorized by Section 5-45 and this Section is deemed to be necessary for the public interest, safety, and welfare.

This Section is repealed one year after the effective date of this amendatory Act of the 102nd General Assembly.

Section 95-5. The Illinois Income Tax Act is amended by adding Section 232 as follows:
Sec. 232. Tax credit for agritourism liability insurance.

(a) For taxable years beginning on or after January 1, 2022 and ending on or before December 31, 2023, any individual or entity that operates an agritourism operation in the State during the taxable year shall be entitled to a tax credit against the tax imposed by subsections (a) and (b) of Section 201 equal to the lesser of 100% of the liability insurance premiums paid by that individual or entity during the taxable year or $1,000. To claim the credit, the taxpayer must apply to the Department of Agriculture for a certificate of credit in the form and manner required by the Department of Agriculture by rule. If granted, the taxpayer shall attach a copy of the certificate of credit to his or her Illinois income tax return for the taxable year. The total amount of credits that may be awarded by the Department of Agriculture may not exceed $1,000,000 in any calendar year.

(b) For the purposes of this Section:

"Agricultural property" means property that is used in whole or in part for production agriculture, as defined in Section 3-35 of the Use Tax Act, or used in connection with one or more of the following:

(1) the growing and harvesting of crops;
(2) the feeding, breeding, and management of livestock;
(3) dairying or any other agricultural or
horticultural use or combination of those uses, including, but not limited to, the harvesting of hay, grain, fruit, or truck or vegetable crops, or floriculture, mushroom growing, plant or tree nurseries, orchards, forestry, sod farming, or greenhouses; or

(4) the keeping, raising, and feeding of livestock or poultry, including dairying, poultry, swine, sheep, beef cattle, ponies or horses, fur farming, bees, fish and wildlife farming.

"Agritourism activities" includes, but is not limited to, the following:

(1) historic, cultural, and on-site educational programs;
(2) guided and self-guided tours, including school tours;
(3) animal exhibitions or petting zoos;
(4) agricultural crop mazes, such as corn or flower mazes;
(5) harvest-your-own or U-pick operations;
(6) horseback or pony rides; and
(7) hayrides or sleigh rides.

"Agritourism activities" does not include the following activities:

(1) hunting;
(2) fishing;
(3) amusement rides;
(4) rodeos;
(5) off-road biking or motorized off-highway or all-terrain vehicle activities;
(6) boating, swimming, canoeing, hiking, camping, skiing, bounce houses, or similar activities; or
(7) entertainment venues such as weddings or concerts.

"Agritourism operation" means an individual or entity that carries out agricultural activities on agricultural property and allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy those activities.

(c) If the taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

(d) In no event shall a credit under this Section reduce the taxpayer's liability to less than zero. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.
ARTICLE 100. PARKING EXCISE TAX

Section 100-5. The Parking Excise Tax Act is amended by changing Section 10-5 as follows:

(35 ILCS 525/10-5)

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

"Booking intermediary" means any person or entity that facilitates the processing and fulfillment of reservation transactions between an operator and a person or entity desiring parking in a parking lot or garage of that operator.

"Charge or fee paid for parking" means the gross amount of consideration for the use or privilege of parking a motor vehicle in or upon any parking lot or garage in the State, collected by an operator and valued in money, whether received in money or otherwise, including cash, credits, property, and services, determined without any deduction for costs or expenses, but not including charges that are added to the charge or fee on account of the tax imposed by this Act or on account of any other tax imposed on the charge or fee. "Charge or fee paid for parking" excludes separately stated charges not for the use or privilege of parking and excludes amounts retained by or paid to a booking intermediary for services provided by the booking intermediary. If any separately stated charge is not optional, it shall be presumed that it is part of the charge for the use or privilege of parking.
"Department" means the Department of Revenue.

"Operator" means any person who engages in the business of operating a parking area or garage, or who, directly or through an agreement or arrangement with another party, collects the consideration for parking or storage of motor vehicles, recreational vehicles, or other self-propelled vehicles, at that parking place. This includes, but is not limited to, any facilitator or aggregator that collects the purchase price from the purchaser the charge or fee paid for parking. "Operator" does not include a bank, credit card company, payment processor, booking intermediary, or person whose involvement is limited to performing functions that are similar to those performed by a bank, credit card company, or payment processor, or booking intermediary.

"Parking area or garage" means any real estate, building, structure, premises, enclosure or other place, whether enclosed or not, except a public way, within the State, where motor vehicles, recreational vehicles, or other self-propelled vehicles, are stored, housed or parked for hire, charge, fee or other valuable consideration in a condition ready for use, or where rent or compensation is paid to the owner, manager, operator or lessee of the premises for the housing, storing, sheltering, keeping or maintaining motor vehicles, recreational vehicles, or other self-propelled vehicles. "Parking area or garage" includes any parking area or garage, whether the vehicle is parked by the owner of the vehicle or by
the operator or an attendant.

"Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court.

"Purchase price" means the consideration paid for the purchase of a parking space in a parking area or garage, valued in money, whether received in money or otherwise, including cash, gift cards, credits, and property, and shall be determined without any deduction on account of the cost of materials used, labor or service costs, or any other expense whatsoever.

"Purchase price" includes any and all charges that the recipient pays related to or incidental to obtaining the use or privilege of using a parking space in a parking area or garage, including but not limited to any and all related markups, service fees, convenience fees, facilitation fees, cancellation fees, overtime fees, or other such charges, regardless of terminology. However, "purchase price" shall not include consideration paid for:

(1) optional, separately stated charges not for the use or privilege of using a parking space in the parking area or garage;

(2) any charge for a dishonored check;

(3) any finance or credit charge, penalty or charge
for delayed payment, or discount for prompt payment;

(4) any purchase by a purchaser if the operator is prohibited by federal or State Constitution, treaty, convention, statute or court decision from collecting the tax from such purchaser;

(5) the isolated or occasional sale of parking spaces subject to tax under this Act by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling of parking spaces; and

(6) any amounts added to a purchaser's bills because of charges made pursuant to the tax imposed by this Act. If credit is extended, then the amount thereof shall be included only as and when payments are made.

"Purchaser" means any person who acquires a parking space in a parking area or garage for use for valuable consideration.

"Use" means the exercise by any person of any right or power over, or the enjoyment of, a parking space in a parking area or garage subject to tax under this Act.

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

ARTICLE 105. UNEMPLOYMENT BENEFITS

Section 105-5. The Unemployment Insurance Act is amended by changing Sections 401, 403, 703, 1505, 1506.6, and 2100 as follows:
Sec. 401. Weekly Benefit Amount - Dependents' Allowances.

A. With respect to any week beginning in a benefit year beginning prior to January 4, 2004, an individual's weekly benefit amount shall be an amount equal to the weekly benefit amount as defined in the provisions of this Act as amended and in effect on November 18, 2011.

B. 1. With respect to any benefit year beginning on or after January 4, 2004 and before January 6, 2008, an individual's weekly benefit amount shall be 48% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; provided, however, that the weekly benefit amount cannot exceed the maximum weekly benefit amount and cannot be less than $51. Except as otherwise provided in this Section, with respect to any benefit year beginning on or after January 6, 2008, an individual's weekly benefit amount shall be 47% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; provided, however, that the weekly benefit amount cannot exceed the maximum weekly benefit amount and cannot be less than $51. With respect to any benefit year beginning on or after January 1, 2023 and before January 1, 2024 July 3, 2022, an individual's weekly benefit amount shall be 42.4% of his or her prior average weekly wage, rounded (if not already a multiple of one
dollar) to the next higher dollar; provided, however, that the weekly benefit amount cannot exceed the maximum weekly benefit amount and cannot be less than $51.

2. For the purposes of this subsection:

An individual's "prior average weekly wage" means the total wages for insured work paid to that individual during the 2 calendar quarters of his base period in which such total wages were highest, divided by 26. If the quotient is not already a multiple of one dollar, it shall be rounded to the nearest dollar; however if the quotient is equally near 2 multiples of one dollar, it shall be rounded to the higher multiple of one dollar.

"Determination date" means June 1 and December 1 of each calendar year except that, for the purposes of this Act only, there shall be no June 1 determination date in any year.

"Determination period" means, with respect to each June 1 determination date, the 12 consecutive calendar months ending on the immediately preceding December 31 and, with respect to each December 1 determination date, the 12 consecutive calendar months ending on the immediately preceding June 30.

"Benefit period" means the 12 consecutive calendar month period beginning on the first day of the first calendar month immediately following a determination date, except that, with respect to any calendar year in which there is a June 1 determination date, "benefit period" shall mean the 6 consecutive calendar month period beginning on the first day
of the first calendar month immediately following the preceding December 1 determination date and the 6 consecutive calendar month period beginning on the first day of the first calendar month immediately following the June 1 determination date.

"Gross wages" means all the wages paid to individuals during the determination period immediately preceding a determination date for insured work, and reported to the Director by employers prior to the first day of the third calendar month preceding that date.

"Covered employment" for any calendar month means the total number of individuals, as determined by the Director, engaged in insured work at mid-month.

"Average monthly covered employment" means one-twelfth of the sum of the covered employment for the 12 months of a determination period.

"Statewide average annual wage" means the quotient, obtained by dividing gross wages by average monthly covered employment for the same determination period, rounded (if not already a multiple of one cent) to the nearest cent.

"Statewide average weekly wage" means the quotient, obtained by dividing the statewide average annual wage by 52, rounded (if not already a multiple of one cent) to the nearest cent. Notwithstanding any provision of this Section to the contrary, the statewide average weekly wage for any benefit period prior to calendar year 2012 shall be as determined by
the provisions of this Act as amended and in effect on November 18, 2011. Notwithstanding any provisions of this Section to the contrary, the statewide average weekly wage for the benefit period of calendar year 2012 shall be $856.55 and for each calendar year thereafter, the statewide average weekly wage shall be the statewide average weekly wage, as determined in accordance with this sentence, for the immediately preceding benefit period plus (or minus) an amount equal to the percentage change in the statewide average weekly wage, as computed in accordance with the first sentence of this paragraph, between the 2 immediately preceding benefit periods, multiplied by the statewide average weekly wage, as determined in accordance with this sentence, for the immediately preceding benefit period. However, for purposes of the Workers' Compensation Act, the statewide average weekly wage will be computed using June 1 and December 1 determination dates of each calendar year and such determination shall not be subject to the limitation of the statewide average weekly wage as computed in accordance with the preceding sentence of this paragraph.

With respect to any week beginning in a benefit year beginning prior to January 4, 2004, "maximum weekly benefit amount" with respect to each week beginning within a benefit period shall be as defined in the provisions of this Act as amended and in effect on November 18, 2011.

With respect to any benefit year beginning on or after
January 4, 2004 and before January 6, 2008, "maximum weekly benefit amount" with respect to each week beginning within a benefit period means 48% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

Except as otherwise provided in this Section, with respect to any benefit year beginning on or after January 6, 2008, "maximum weekly benefit amount" with respect to each week beginning within a benefit period means 47% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any benefit year beginning on or after January 1, 2023 and before January 1, 2024, "maximum weekly benefit amount" with respect to each week beginning within a benefit period means 42.4% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

C. With respect to any week beginning in a benefit year beginning prior to January 4, 2004, an individual's eligibility for a dependent allowance with respect to a nonworking spouse or one or more dependent children shall be as defined by the provisions of this Act as amended and in effect on November 18, 2011.

With respect to any benefit year beginning on or after January 4, 2004 and before January 6, 2008, an individual to whom benefits are payable with respect to any week shall, in
addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, 9% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided, that the total amount payable to the individual with respect to a week shall not exceed 57% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, 17.2% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed 65.2% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any benefit year beginning on or after January 6, 2008 and before January 1, 2010, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, 9% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, provided, that the total amount payable to the individual with respect to a week shall not exceed 56% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the
case of an individual with a dependent child or dependent
children, 18.2% of his or her prior average weekly wage,
rounded (if not already a multiple of one dollar) to the next
higher dollar, provided that the total amount payable to the
individual with respect to a week shall not exceed 65.2% of the
statewide average weekly wage, rounded (if not already a
multiple of one dollar) to the next higher dollar.

The additional amount paid pursuant to this subsection in
the case of an individual with a dependent child or dependent
children shall be referred to as the "dependent child
allowance", and the percentage rate by which an individual's
prior average weekly wage is multiplied pursuant to this
subsection to calculate the dependent child allowance shall be
referred to as the "dependent child allowance rate".

Except as otherwise provided in this Section, with respect
to any benefit year beginning on or after January 1, 2010, an
individual to whom benefits are payable with respect to any
week shall, in addition to those benefits, be paid, with
respect to such week, as follows: in the case of an individual
with a nonworking spouse, the greater of (i) 9% of his or her
prior average weekly wage, rounded (if not already a multiple
of one dollar) to the next higher dollar, or (ii) $15, provided
that the total amount payable to the individual with respect
to a week shall not exceed 56% of the statewide average weekly
wage, rounded (if not already a multiple of one dollar) to the
next higher dollar; and in the case of an individual with a
dependent child or dependent children, the greater of (i) the product of the dependent child allowance rate multiplied by his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, or (ii) the lesser of $50 or 50% of his or her weekly benefit amount, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed the product of the statewide average weekly wage multiplied by the sum of 47% plus the dependent child allowance rate, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to any benefit year beginning on or after January 1, 2023 and before January 1, 2024 July 3, 2022, an individual to whom benefits are payable with respect to any week shall, in addition to those benefits, be paid, with respect to such week, as follows: in the case of an individual with a nonworking spouse, the greater of (i) 9% of his or her prior average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar, or (ii) $15, provided that the total amount payable to the individual with respect to a week shall not exceed 51.4% of the statewide average weekly wage, rounded (if not already a multiple of one dollar) to the next higher dollar; and in the case of an individual with a dependent child or dependent children, the greater of (i) the product of the dependent child allowance rate multiplied by his or her prior average weekly wage, rounded
(if not already a multiple of one dollar) to the next higher dollar, or (ii) the lesser of $50 or 50% of his or her weekly benefit amount, rounded (if not already a multiple of one dollar) to the next higher dollar, provided that the total amount payable to the individual with respect to a week shall not exceed the product of the statewide average weekly wage multiplied by the sum of 42.4% plus the dependent child allowance rate, rounded (if not already a multiple of one dollar) to the next higher dollar.

With respect to each benefit year beginning after calendar year 2012, the dependent child allowance rate shall be the sum of the allowance adjustment applicable pursuant to Section 1400.1 to the calendar year in which the benefit year begins, plus the dependent child allowance rate with respect to each benefit year beginning in the immediately preceding calendar year, except as otherwise provided in this subsection. The dependent child allowance rate with respect to each benefit year beginning in calendar year 2010 shall be 17.9%. The dependent child allowance rate with respect to each benefit year beginning in calendar year 2011 shall be 17.4%. The dependent child allowance rate with respect to each benefit year beginning in calendar year 2012 shall be 17.0% and, with respect to each benefit year beginning after calendar year 2012, shall not be less than 17.0% or greater than 17.9%.

For the purposes of this subsection:

"Dependent" means a child or a nonworking spouse.
"Child" means a natural child, stepchild, or adopted child of an individual claiming benefits under this Act or a child who is in the custody of any such individual by court order, for whom the individual is supplying and, for at least 90 consecutive days (or for the duration of the parental relationship if it has existed for less than 90 days) immediately preceding any week with respect to which the individual has filed a claim, has supplied more than one-half the cost of support, or has supplied at least 1/4 of the cost of support if the individual and the other parent, together, are supplying and, during the aforesaid period, have supplied more than one-half the cost of support, and are, and were during the aforesaid period, members of the same household; and who, on the first day of such week (a) is under 18 years of age, or (b) is, and has been during the immediately preceding 90 days, unable to work because of illness or other disability: provided, that no person who has been determined to be a child of an individual who has been allowed benefits with respect to a week in the individual's benefit year shall be deemed to be a child of the other parent, and no other person shall be determined to be a child of such other parent, during the remainder of that benefit year.

"Nonworking spouse" means the lawful husband or wife of an individual claiming benefits under this Act, for whom more than one-half the cost of support has been supplied by the individual for at least 90 consecutive days (or for the
duration of the marital relationship if it has existed for
less than 90 days) immediately preceding any week with respect
to which the individual has filed a claim, but only if the
nonworking spouse is currently ineligible to receive benefits
under this Act by reason of the provisions of Section 500E.

An individual who was obligated by law to provide for the
support of a child or of a nonworking spouse for the aforesaid
period of 90 consecutive days, but was prevented by illness or
injury from doing so, shall be deemed to have provided more
than one-half the cost of supporting the child or nonworking
spouse for that period.

(Source: P.A. 101-423, eff. 1-1-20; 101-633, eff. 6-5-20;
102-671, eff. 11-30-21.)

(820 ILCS 405/403) (from Ch. 48, par. 403)
Sec. 403. Maximum total amount of benefits.

A. With respect to any benefit year beginning prior to
September 30, 1979, any otherwise eligible individual shall be
entitled, during such benefit year, to a maximum total amount
of benefits as shall be determined in the manner set forth in
this Act as amended and in effect on November 9, 1977.

B. With respect to any benefit year beginning on or after
September 30, 1979, except as otherwise provided in this
Section, any otherwise eligible individual shall be entitled,
during such benefit year, to a maximum total amount of
benefits equal to 26 times his or her weekly benefit amount
plus dependents' allowances, or to the total wages for insured work paid to such individual during the individual's base period, whichever amount is smaller. With respect to any benefit year beginning in calendar year 2012, any otherwise eligible individual shall be entitled, during such benefit year, to a maximum total amount of benefits equal to 25 times his or her weekly benefit amount plus dependents' allowances, or to the total wages for insured work paid to such individual during the individual's base period, whichever amount is smaller. With respect to any benefit year beginning on or after January 1, 2023 and before January 1, 2024 July 3, 2022, any otherwise eligible individual shall be entitled, during such benefit year, to a maximum total amount of benefits equal to 24 times his or her weekly benefit amount plus dependents' allowances, or to the total wages for insured work paid to such individual during the individual's base period, whichever amount is smaller.

(Source: P.A. 101-423, eff. 1-1-20; 102-671, eff. 11-30-21.)

Sec. 703. Reconsideration of findings or determinations. The claims adjudicator may reconsider his finding at any time within thirteen weeks after the close of the benefit year. He may reconsider his determination at any time within one year after the last day of the week for which the determination was made, except that if the issue is whether or not, by reason of
a back pay award made by any governmental agency or pursuant to arbitration proceedings, or by reason of a payment of wages wrongfully withheld by an employing unit, an individual has received wages for a week with respect to which he or she has received benefits or if the issue is whether or not the claimant misstated his earnings for the week, such reconsidered determination may be made at any time within 3 years after the last day of the week, or if the issue is whether or not an individual misstated earnings for any week beginning on or after March 15, 2020, such reconsidered determination may be made at any time within 5 years after the last day of the week. No finding or determination shall be reconsidered at any time after appeal therefrom has been taken pursuant to the provisions of Section 800, except where a case has been remanded to the claims adjudicator by a Referee, the Director or the Board of Review, and except, further, that if an issue as to whether or not the claimant misstated his earnings is newly discovered, the determination may be reconsidered after and notwithstanding the fact that the decision upon the appeal has become final. Notice of such reconsidered determination or reconsidered finding shall be promptly given to the parties entitled to notice of the original determination or finding, as the case may be, in the same manner as is prescribed therefor, and such reconsidered determination or reconsidered finding shall be subject to appeal in the same manner and shall be given the same effect as
is provided for an original determination or finding.

The changes made by this amendatory Act of the 102nd
General Assembly apply retroactively to March 15, 2020.
(Source: P.A. 92-396, eff. 1-1-02.)

(820 ILCS 405/1505) (from Ch. 48, par. 575)
Sec. 1505. Adjustment of state experience factor. The
state experience factor shall be adjusted in accordance with
the following provisions:

A. For calendar years prior to 1988, the state experience
factor shall be adjusted in accordance with the provisions of
this Act as amended and in effect on November 18, 2011.

B. (Blank).

C. For calendar year 1988 and each calendar year
thereafter, for which the state experience factor is being
determined.

1. For every $50,000,000 (or fraction thereof) by
which the adjusted trust fund balance falls below the
target balance set forth in this subsection, the state
experience factor for the succeeding year shall be
increased one percent absolute.

For every $50,000,000 (or fraction thereof) by which
the adjusted trust fund balance exceeds the target balance
set forth in this subsection, the state experience factor
for the succeeding year shall be decreased by one percent
absolute.
The target balance in each calendar year prior to 2003 is $750,000,000. The target balance in calendar year 2003 is $920,000,000. The target balance in calendar year 2004 is $960,000,000. The target balance in calendar year 2005 and each calendar year thereafter is $1,000,000,000.

2. For the purposes of this subsection:

"Net trust fund balance" is the amount standing to the credit of this State's account in the unemployment trust fund as of June 30 of the calendar year immediately preceding the year for which a state experience factor is being determined.

"Adjusted trust fund balance" is the net trust fund balance minus the sum of the benefit reserves for fund building for July 1, 1987 through June 30 of the year prior to the year for which the state experience factor is being determined. The adjusted trust fund balance shall not be less than zero. If the preceding calculation results in a number which is less than zero, the amount by which it is less than zero shall reduce the sum of the benefit reserves for fund building for subsequent years.

For the purpose of determining the state experience factor for 1989 and for each calendar year thereafter, the following "benefit reserves for fund building" shall apply for each state experience factor calculation in which that 12 month period is applicable:

a. For the 12 month period ending on June 30, 1988,
the "benefit reserve for fund building" shall be 8/104th of the total benefits paid from January 1, 1988 through June 30, 1988.

b. For the 12 month period ending on June 30, 1989, the "benefit reserve for fund building" shall be the sum of:

i. 8/104ths of the total benefits paid from July 1, 1988 through December 31, 1988, plus

ii. 4/108ths of the total benefits paid from January 1, 1989 through June 30, 1989.

c. For the 12 month period ending on June 30, 1990, the "benefit reserve for fund building" shall be 4/108ths of the total benefits paid from July 1, 1989 through December 31, 1989.

d. For 1992 and for each calendar year thereafter, the "benefit reserve for fund building" for the 12 month period ending on June 30, 1991 and for each subsequent 12 month period shall be zero.

3. Notwithstanding the preceding provisions of this subsection, for calendar years 1988 through 2003, the state experience factor shall not be increased or decreased by more than 15 percent absolute.

D. Notwithstanding the provisions of subsection C, the adjusted state experience factor:

1. Shall be 111 percent for calendar year 1988;

2. Shall not be less than 75 percent nor greater than
135 percent for calendar years 1989 through 2003; and shall not be less than 75% nor greater than 150% for calendar year 2004 and each calendar year thereafter, not counting any increase pursuant to subsection D-1, D-2, or D-3;

3. Shall not be decreased by more than 5 percent absolute for any calendar year, beginning in calendar year 1989 and through calendar year 1992, by more than 6% absolute for calendar years 1993 through 1995, by more than 10% absolute for calendar years 1999 through 2003 and by more than 12% absolute for calendar year 2004 and each calendar year thereafter, from the adjusted state experience factor of the calendar year preceding the calendar year for which the adjusted state experience factor is being determined;

4. Shall not be increased by more than 15% absolute for calendar year 1993, by more than 14% absolute for calendar years 1994 and 1995, by more than 10% absolute for calendar years 1999 through 2003 and by more than 16% absolute for calendar year 2004 and each calendar year thereafter, from the adjusted state experience factor for the calendar year preceding the calendar year for which the adjusted state experience factor is being determined;


D-1. The adjusted state experience factor for each of
calendar years 2013 through 2015 shall be increased by 5% absolute above the adjusted state experience factor as calculated without regard to this subsection. The adjusted state experience factor for each of calendar years 2016 through 2018 shall be increased by 6% absolute above the adjusted state experience factor as calculated without regard to this subsection. The increase in the adjusted state experience factor for calendar year 2018 pursuant to this subsection shall not be counted for purposes of applying paragraph 3 or 4 of subsection D to the calculation of the adjusted state experience factor for calendar year 2019.

D-2. (Blank).

D-3. The adjusted state experience factor for the portion of calendar year 2022 beginning July 3, 2022 shall be increased by 16% absolute above the adjusted state experience factor as calculated without regard to this subsection. The increase in the adjusted state experience factor for the portion of calendar year 2022 beginning July 3, 2022 pursuant to this subsection shall not be counted for purposes of applying paragraph 3 or 4 of subsection D to the calculation of the adjusted state experience factor for calendar year 2023.

E. The amount standing to the credit of this State's account in the unemployment trust fund as of June 30 shall be deemed to include as part thereof (a) any amount receivable on that date from any Federal governmental agency, or as a
payment in lieu of contributions under the provisions of Sections 1403 and 1405 B and paragraph 2 of Section 302C, in reimbursement of benefits paid to individuals, and (b) amounts credited by the Secretary of the Treasury of the United States to this State's account in the unemployment trust fund pursuant to Section 903 of the Federal Social Security Act, as amended, including any such amounts which have been appropriated by the General Assembly in accordance with the provisions of Section 2100 B for expenses of administration, except any amounts which have been obligated on or before that date pursuant to such appropriation.

(Source: P.A. 101-423, eff. 1-1-20; 101-633, eff. 6-5-20; 102-671, eff. 11-30-21.)

(820 ILCS 405/1506.6)

Sec. 1506.6. Surcharge; specified period. For each employer whose contribution rate for calendar year 2022 is determined pursuant to Section 1500 or 1506.1, in addition to the contribution rate established pursuant to Section 1506.3, for the portion of calendar year 2022 beginning July 3, 2022, an additional surcharge of 0.325% shall be added to the contribution rate. The surcharge established by this Section shall be due at the same time as other contributions with respect to the quarter are due, as provided in Section 1400. Payments attributable to the surcharge established pursuant to this Section shall be contributions and deposited
into the clearing account.

(Source: P.A. 101-423, eff. 1-1-20; 101-633, eff. 6-5-20; 102-671, eff. 11-30-21.)

(820 ILCS 405/2100) (from Ch. 48, par. 660)

Sec. 2100. Handling of funds - Bond - Accounts.

A. All contributions and payments in lieu of contributions collected under this Act, including but not limited to fund building receipts and receipts attributable to the surcharge established pursuant to Section 1506.5, together with any interest thereon; all penalties collected pursuant to this Act; any property or securities acquired through the use thereof; all moneys advanced to this State's account in the unemployment trust fund pursuant to the provisions of Title XII of the Social Security Act, as amended; all moneys directed for transfer from the Master Bond Fund or the Title XII Interest Fund to this State's account in the unemployment trust fund; all moneys received from the Federal government as reimbursements pursuant to Section 204 of the Federal-State Extended Unemployment Compensation Act of 1970, as amended; all moneys credited to this State's account in the unemployment trust fund pursuant to Section 903 of the Federal Social Security Act, as amended; all administrative fees collected from individuals pursuant to Section 900 or from employing units pursuant to Section 2206.1; funds directed for deposit into the State's account in the Unemployment Trust

funds directed for deposit into the State's account in the Unemployment Trust
Fund from any other source; and all earnings of such property or securities and any interest earned upon any such moneys shall be paid or turned over to the Department and held by the Director, as ex-officio custodian of the clearing account, the unemployment trust fund account and the benefit account, and by the State Treasurer, as ex-officio custodian of the special administrative account, separate and apart from all public moneys or funds of this State, as hereinafter provided. Such moneys shall be administered by the Director exclusively for the purposes of this Act.

No such moneys shall be paid or expended except upon the direction of the Director in accordance with such regulations as he shall prescribe pursuant to the provisions of this Act.

The State Treasurer shall be liable on his general official bond for the faithful performance of his duties in connection with the moneys in the special administrative account provided for under this Act. Such liability on his official bond shall exist in addition to the liability upon any separate bond given by him. All sums recovered for losses sustained by the account shall be deposited in that account.

The Director shall be liable on his general official bond for the faithful performance of his duties in connection with the moneys in the clearing account, the benefit account and unemployment trust fund account provided for under this Act. Such liability on his official bond shall exist in addition to the liability upon any separate bond given by him. All sums
recovered for losses sustained by any one of the accounts shall be deposited in the account that sustained such loss.

The Treasurer shall maintain for such moneys a special administrative account. The Director shall maintain for such moneys 3 separate accounts: a clearing account, a benefit account, and an unemployment trust fund account. All moneys payable under this Act (except moneys requisitioned from this State's account in the unemployment trust fund and deposited in the benefit account and moneys directed for deposit into the Special Programs Fund provided for under Section 2107), including but not limited to moneys directed for transfer from the Master Bond Fund or the Title XII Interest Fund to this State's account in the unemployment trust fund, upon receipt thereof, shall be immediately deposited in the clearing account; provided, however, that, except as is otherwise provided in this Section, interest and penalties shall not be deemed a part of the clearing account but shall be transferred immediately upon clearance thereof to the special administrative account; further provided that an amount not to exceed $90,000,000 in payments attributable to the surcharge established pursuant to Section 1506.5, including any interest thereon, shall not be deemed a part of the clearing account but shall be transferred immediately upon clearance thereof to the Title XII Interest Fund.

After clearance thereof, all other moneys in the clearing account shall be immediately deposited by the Director with
the Secretary of the Treasury of the United States of America
to the credit of the account of this State in the unemployment
trust fund, established and maintained pursuant to the Federal
Social Security Act, as amended, except fund building
receipts, which shall be deposited into the Master Bond Fund.
The benefit account shall consist of all moneys requisitioned
from this State's account in the unemployment trust fund. The
moneys in the benefit account shall be expended in accordance
with regulations prescribed by the Director and solely for the
payment of benefits, refunds of contributions, interest and
penalties under the provisions of the Act, the payment of
health insurance in accordance with Section 410 of this Act,
and the transfer or payment of funds to any Federal or State
agency pursuant to reciprocal arrangements entered into by the
Director under the provisions of Section 2700E, except that
moneys credited to this State's account in the unemployment
trust fund pursuant to Section 903 of the Federal Social
Security Act, as amended, shall be used exclusively as
provided in subsection B. For purposes of this Section only,
to the extent allowed by applicable legal requirements, the
payment of benefits includes but is not limited to the payment
of principal on any bonds issued pursuant to the Illinois
Unemployment Insurance Trust Fund Financing Act, exclusive of
any interest or administrative expenses in connection with the
bonds. The Director shall, from time to time, requisition from
the unemployment trust fund such amounts, not exceeding the
amounts standing to the State's account therein, as he deems necessary solely for the payment of such benefits, refunds, and funds, for a reasonable future period. The Director, as ex-officio custodian of the benefit account, which shall be kept separate and apart from all other public moneys, shall issue payment of such benefits, refunds, health insurance and funds solely from the moneys so received into the benefit account. However, after January 1, 1987, no payment shall be drawn on such benefit account unless at the time of drawing there is sufficient money in the account to make the payment. The Director shall retain in the clearing account an amount of interest and penalties equal to the amount of interest and penalties to be refunded from the benefit account. After clearance thereof, the amount so retained shall be immediately deposited by the Director, as are all other moneys in the clearing account, with the Secretary of the Treasury of the United States. If, at any time, an insufficient amount of interest and penalties is available for retention in the clearing account, no refund of interest or penalties shall be made from the benefit account until a sufficient amount is available for retention and is so retained, or until the State Treasurer, upon the direction of the Director, transfers to the Director a sufficient amount from the special administrative account, for immediate deposit in the benefit account.

Any balance of moneys requisitioned from the unemployment
trust fund which remains unclaimed or unpaid in the benefit account after the expiration of the period for which such sums were requisitioned shall either be deducted from estimates of and may be utilized for authorized expenditures during succeeding periods, or, in the discretion of the Director, shall be redeposited with the Secretary of the Treasury of the United States to the credit of the State's account in the unemployment trust fund.

Moneys in the clearing, benefit and special administrative accounts shall not be commingled with other State funds but they shall be deposited as required by law and maintained in separate accounts on the books of a savings and loan association or bank.

No bank or savings and loan association shall receive public funds as permitted by this Section, unless it has complied with the requirements established pursuant to Section 6 of "An Act relating to certain investments of public funds by public agencies", approved July 23, 1943, as now or hereafter amended.

B. Moneys credited to the account of this State in the unemployment trust fund by the Secretary of the Treasury of the United States pursuant to Section 903 of the Social Security Act may be requisitioned from this State's account and used as authorized by Section 903. Any interest required to be paid on advances under Title XII of the Social Security Act shall be paid in a timely manner and shall not be paid,
directly or indirectly, by an equivalent reduction in contributions or payments in lieu of contributions from amounts in this State's account in the unemployment trust fund. Such moneys may be requisitioned and used for the payment of expenses incurred for the administration of this Act, but only pursuant to a specific appropriation by the General Assembly and only if the expenses are incurred and the moneys are requisitioned after the enactment of an appropriation law which:

1. Specifies the purpose or purposes for which such moneys are appropriated and the amount or amounts appropriated therefor;

2. Limits the period within which such moneys may be obligated to a period ending not more than 2 years after the date of the enactment of the appropriation law; and

3. Limits the amount which may be obligated during any fiscal year to an amount which does not exceed the amount by which (a) the aggregate of the amounts transferred to the account of this State pursuant to Section 903 of the Social Security Act exceeds (b) the aggregate of the amounts used by this State pursuant to this Act and charged against the amounts transferred to the account of this State.

For purposes of paragraph (3) above, amounts obligated for administrative purposes pursuant to an appropriation shall be chargeable against transferred amounts at the exact time the
obligation is entered into. The appropriation, obligation, and
expenditure or other disposition of money appropriated under
this subsection shall be accounted for in accordance with
standards established by the United States Secretary of Labor.

Moneys appropriated as provided herein for the payment of
expenses of administration shall be requisitioned by the
Director as needed for the payment of obligations incurred
under such appropriation. Upon requisition, such moneys shall
be deposited with the State Treasurer, who shall hold such
moneys, as ex-officio custodian thereof, in accordance with
the requirements of Section 2103 and, upon the direction of
the Director, shall make payments therefrom pursuant to such
appropriation. Moneys so deposited shall, until expended,
remain a part of the unemployment trust fund and, if any will
not be expended, shall be returned promptly to the account of
this State in the unemployment trust fund.

C. The Governor is authorized to apply to the United
States Secretary of Labor for an advance or advances to this
State's account in the unemployment trust fund pursuant to the
conditions set forth in Title XII of the Federal Social
Security Act, as amended. The State's account in the
unemployment trust fund is authorized to receive
appropriations of State funds from other State accounts to
repay any such advance or advances. The amount of any such
advance may be repaid from this State's account in the
unemployment trust fund.
D. The Director shall annually on or before the first day of March report in writing to the Employment Security Advisory Board concerning the deposits into and expenditures from this State's account in the Unemployment Trust Fund.

E. The changes made by this amendatory Act of the 102nd General Assembly to subsection A and subsection C clarify authority already provided by law.

(Source: P.A. 97-1, eff. 3-31-11; 97-621, eff. 11-18-11; 97-791, eff. 1-1-13.)

ARTICLE 110. MICRO ACT

Section 110-1. Short title. This Article may be cited as the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act. References in this Article to "this Act" mean this Article.

Section 110-5. Purpose. It is the intent of the General Assembly that Illinois should lead the nation in production of semiconductors and microchips as they become even more prevalent in everyday life. The General Assembly finds that, through investments in semiconductors and microchips, Illinois will be on the forefront of reshoring semiconductor and microchip production that fuels modern technologies that are essential to the operation of computers, phones, vehicles and any electric product that have become essential to modern
This Act will create good paying jobs, and generate long-term economic investment in the Illinois business economy, in addition to ensuring a vital product is made in the United States. Illinois must aggressively adopt new business development investment tools so that Illinois can compete with domestic and foreign competitors for semiconductor and chip manufacturing.

Section 110-10. Definitions. As used in this Act:

"Agreement" means the agreement between a taxpayer and the Department under the provisions of this Act.

"Applicant" means a taxpayer that: (i) operates a business in Illinois as a semiconductor manufacturer, a microchip manufacturer, or a manufacturer of semiconductor or microchip component parts; or (ii) is planning to locate a business within the State of Illinois as a semiconductor manufacturer, a microchip manufacturer, or a manufacturer of semiconductor or microchip component parts. "Applicant" does not include a taxpayer who closes or substantially reduces by more than 50% operations at one location in the State and relocates substantially the same operation to another location in the State. This does not prohibit a Taxpayer from expanding its operations at another location in the State. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation, provided that the
Department determines that expansion cannot reasonably be accommodated within the municipality or county in which the business is located, or, in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Capital improvements" means the purchase, renovation, rehabilitation, or construction of permanent tangible land, buildings, structures, equipment, and furnishings in an approved project sited in Illinois and expenditures for goods or services that are normally capitalized, including organizational costs and research and development costs incurred in Illinois. For land, buildings, structures, and equipment that are leased, the lease must equal or exceed the term of the agreement, and the cost of the property shall be determined from the present value, using the corporate interest rate prevailing at the time of the application, of the lease payments.

"Credit" or "MICRO credit" means a credit agreed to between the Department and applicant under this Act.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of Commerce and Economic
Opportunity.

"Energy Transition Area" means a county with less than 100,000 people or a municipality that contains one or more of the following:

(1) a fossil fuel plant that was retired from service or has significant reduced service within 6 years before the time of the application or will be retired or have service significantly reduced within 6 years following the time of the application; or

(2) a coal mine that was closed or had operations significantly reduced within 6 years before the time of the application or is anticipated to be closed or have operations significantly reduced within 6 years following the time of the application.

"Full-time employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. An individual for whom a W-2 is issued by a Professional Employer Organization (PEO) is a full-time employee if employed in the service of the applicant for consideration for at least 35 hours each week.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of new employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project
that is the subject of an agreement.

"Institution of higher education" or "institution" means any accredited public or private university, college, community college, business, technical, or vocational school, or other accredited educational institution offering degrees and instruction beyond the secondary school level.

"MICRO construction jobs credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to construction wages paid in connection with construction of the project facilities.

"MICRO credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to new employees and, if applicable, retained employees, and on training costs for such employees at the applicant's project.

"Microchip" means a wafer of semiconducting material that is less than 15 millimeters long and less than 5 millimeters wide and is used to make an integrated circuit.

"Microchip manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces microchips or key components that directly support the functions of microchips.

"Minority person" means a minority person as defined in the Business Enterprise for Minorities, Women, and Persons
"New employee" means a newly-hired full-time employee employed to work at the project site and whose work is directly related to the project.

"Noncompliance date" means, in the case of a taxpayer that is not complying with the requirements of the agreement or the provisions of this Act, the day following the last date upon which the taxpayer was in compliance with the requirements of the agreement and the provisions of this Act, as determined by the Director.

"Pass-through entity" means an entity that is exempt from the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act.

"Placed in service" means the state or condition of readiness, availability for a specifically assigned function, and the facility is constructed and ready to conduct its facility operations to manufacture goods.

"Professional employer organization" (PEO) means an employee leasing company, as defined in Section 206.1 of the Illinois Unemployment Insurance Act.

"Program" means the Manufacturing Illinois Chips for Real Opportunity (MICRO) program established in this Act.

"Project" means a for-profit economic development activity for the manufacture of semiconductors and microchips.

"Related member" means a person that, with respect to the taxpayer during any portion of the taxable year, is any one of
the following:

(1) An individual stockholder, if the stockholder and
the members of the stockholder's family (as defined in
Section 318 of the Internal Revenue Code) own directly,
indirectly, beneficially, or constructively, in the
aggregate, at least 50% of the value of the taxpayer's
outstanding stock.

(2) A partnership, estate, trust and any partner or
beneficiary, if the partnership, estate, or trust, and its
partners or beneficiaries own directly, indirectly,
beneficially, or constructively, in the aggregate, at
least 50% of the profits, capital, stock, or value of the
taxpayer.

(3) A corporation, and any party related to the
corporation in a manner that would require an attribution
of stock from the corporation under the attribution rules
of Section 318 of the Internal Revenue Code, if the
Taxpayer owns directly, indirectly, beneficially, or
constructively at least 50% of the value of the
corporation's outstanding stock.

(4) A corporation and any party related to that
corporation in a manner that would require an attribution
of stock from the corporation to the party or from the
party to the corporation under the attribution rules of
Section 318 of the Internal Revenue Code, if the
corporation and all such related parties own in the
aggregate at least 50% of the profits, capital, stock, or value of the taxpayer.

(5) A person to or from whom there is an attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a related member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

"Retained employee" means a full-time employee employed by the taxpayer prior to the term of the Agreement who continues to be employed during the term of the agreement whose job duties are directly and substantially related to the project. For purposes of this definition, "directly and substantially related to the project" means at least two-thirds of the employee's job duties must be directly related to the project and the employee must devote at least two-thirds of his or her time to the project. The term "retained employee" does not include any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the taxpayer or a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership of at least 5% in the profits, equity, capital, or value of the taxpayer.

"Semiconductor" means any class of crystalline solids intermediate in electrical conductivity between a conductor
and an insulator.

"Semiconductor manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces semiconductors or key components that directly support the functions of semiconductors.

"Statewide baseline" means the total number of full-time employees of the applicant and any related member employed by such entities at the time of application for incentives under this Act.

"Taxpayer" means an individual, corporation, partnership, or other entity that has a legal obligation to pay Illinois income taxes and file an Illinois income tax return.

"Training costs" means costs incurred to upgrade the technological skills of full-time employees in Illinois and includes: curriculum development; training materials (including scrap product costs); trainee domestic travel expenses; instructor costs (including wages, fringe benefits, tuition and domestic travel expenses); rent, purchase or lease of training equipment; and other usual and customary training costs. "Training costs" do not include costs associated with travel outside the United States (unless the Taxpayer receives prior written approval for the travel by the Director based on a showing of substantial need or other proof the training is not reasonably available within the United States), wages and fringe benefits of employees during periods of training, or...
administrative cost related to Full-Time Employees of the Taxpayer.

"Underserved area" means any geographic areas as defined in Section 5-5 of the Economic Development for a Growing Economy Tax Credit Act.

Section 110-15. Powers of the Department. The Department, in addition to those powers granted under the Civil Administrative Code of Illinois, is granted and shall have all the powers necessary or convenient to administer the program under this Act and to carry out and effectuate the purposes and provisions of this Act, including, but not limited to, the power and authority to:

1. adopt rules deemed necessary and appropriate for the administration of the program, the designation of projects, and the awarding of credits;
2. establish forms for applications, notifications, contracts, or any other agreements and accept applications at any time during the year;
3. assist taxpayers pursuant to the provisions of this Act and cooperate with taxpayers that are parties to agreements under this Act to promote, foster, and support economic development, capital investment, and job creation or retention within the State;
4. enter into agreements and memoranda of understanding for participation of, and engage in
cooperation with, agencies of the federal government, units of local government, universities, research foundations or institutions, regional economic development corporations, or other organizations to implement the requirements and purposes of this Act;

(5) gather information and conduct inquiries, in the manner and by the methods it deems desirable, including without limitation, gathering information with respect to applicants for the purpose of making any designations or certifications necessary or desirable or to gather information to assist the Department with any recommendation or guidance in the furtherance of the purposes of this Act;

(6) establish, negotiate and effectuate agreements and any term, agreement, or other document with any person, necessary or appropriate to accomplish the purposes of this Act; and to consent, subject to the provisions of any agreement with another party, to the modification or restructuring of any agreement to which the Department is a party;

(7) fix, determine, charge, and collect any premiums, fees, charges, costs, and expenses from applicants, including, without limitation, any application fees, commitment fees, program fees, financing charges, or publication fees as deemed appropriate to pay expenses necessary or incident to the administration, staffing, or
operation in connection with the Department's activities under this Act, or for preparation, implementation, and enforcement of the terms of the agreement, or for consultation, advisory and legal fees, and other costs; however, all fees and expenses incident thereto shall be the responsibility of the applicant;

(8) provide for sufficient personnel to permit administration, staffing, operation, and related support required to adequately discharge its duties and responsibilities described in this Act from funds made available through charges to applicants or from funds as may be appropriated by the General Assembly for the administration of this Act;

(9) require applicants, upon written request, to issue any necessary authorization to the appropriate federal, State, or local authority for the release of information concerning a project being considered under the provisions of this Act, with the information requested to include, but not be limited to, financial reports, returns, or records relating to the taxpayer or its project;

(10) require that a taxpayer shall at all times keep proper books of record and account in accordance with generally accepted accounting principles consistently applied, with the books, records, or papers related to the agreement in the custody or control of the taxpayer open for reasonable Department inspection and audits, and
including, without limitation, the making of copies of the 
books, records, or papers, and the inspection or appraisal 
of any of the taxpayer or project assets;

(11) take whatever actions are necessary or 
appropriate to protect the State's interest in the event 
of bankruptcy, default, foreclosure, or noncompliance with 
the terms and conditions of financial assistance or 
participation required under this Act, including the power 
to sell, dispose, lease, or rent, upon terms and 
conditions determined by the Director to be appropriate, 
real or personal property that the Department may receive 
as a result of these actions.

Section 110-20. Manufacturing Illinois Chips for Real 
Opportunity (MICRO) Program; project applications.

(a) The Manufacturing Illinois Chips for Real Opportunity 
(MICRO) Program is hereby established and shall be 
administered by the Department. The Program will provide 
financial incentives to eligible semiconductor manufacturers 
and microchip manufacturers.

(b) Any taxpayer planning a project to be located in 
Illinois may request consideration for designation of its 
project as a MICRO project, by formal written letter of 
request or by formal application to the Department, in which 
the applicant states its intent to make at least a specified 
level of investment and intends to hire a specified number of
full-time employees at a designated location in Illinois. As circumstances require, the Department shall require a formal application from an applicant and a formal letter of request for assistance.

(c) In order to qualify for credits under the program, an Applicant must:

(1) for a semiconductor manufacturer or microchip manufacturer:

   (A) make an investment of at least $1,500,000,000 in capital improvements at the project site;
   (B) to be placed in service within the State within a 60-month period after approval of the application; and
   (C) create at least 500 new full-time employee jobs; or

(2) for a semiconductor or microchip component parts manufacturer:

   (A) make an investment of at least $300,000,000 in capital improvements at the project site;
   (B) manufacture one or more parts that are primarily used for the manufacture of semiconductors or microchips;
   (C) to be placed in service within the State within a 60-month period after approval of the application; and
   (D) create at least 150 new full-time employee jobs; or
(3) for a semiconductor manufacturer or microchip manufacturer or a semiconductor or microchip component parts manufacturer that does not qualify under paragraph (2) above:

(A) make an investment of at least $20,000,000 in capital improvements at the project site;
(B) to be placed in service within the State within a 48-month period after approval of the application; and
(C) create at least 50 new full-time employee jobs; or

(4) for a semiconductor manufacturer or microchip manufacturer or a semiconductor or microchip component parts manufacturer with existing operations in Illinois that intends to convert or expand, in whole or in part, the existing facility from traditional manufacturing to semiconductor manufacturing or microchip manufacturing or semiconductor or microchip component parts manufacturing:

(A) make an investment of at least $100,000,000 in capital improvements at the project site;
(B) to be placed in service within the State within a 60-month period after approval of the application; and
(C) create the lesser of 75 new full-time employee jobs or new full-time employee jobs equivalent to 10%
of the Statewide baseline applicable to the taxpayer
and any related member at the time of application.

(d) For any applicant creating the full-time employee jobs
noted in subsection (c), those jobs must have a total
compensation equal to or greater than 120% of the average wage
paid to full-time employees in the county where the project is
located, as determined by the U.S. Bureau of Labor Statistics.

(e) Each applicant must outline its hiring plan and
commitment to recruit and hire full-time employee positions at
the project site. The hiring plan may include a partnership
with an institution of higher education to provide
internships, including, but not limited to, internships
supported by the Clean Jobs Workforce Network Program, or
full-time permanent employment for students at the project
site. Additionally, the applicant may create or utilize
participants from apprenticeship programs that are approved by
and registered with the United States Department of Labor's
Bureau of Apprenticeship and Training. The Applicant may apply
for apprenticeship education expense credits in accordance
with the provisions set forth in 14 Ill. Admin. Code 522. Each
applicant is required to report annually, on or before April
15, on the diversity of its workforce in accordance with
Section 110-50 of this Act. For existing facilities of
applicants under paragraph (3) of subsection (b) above, if the
taxpayer expects a reduction in force due to its transition to
manufacturing semiconductors, microchips, or semiconductor or
microchip component parts, the plan submitted under this
Section must outline the taxpayer's plan to assist with
retraining its workforce aligned with the taxpayer's adoption
of new technologies and anticipated efforts to retrain
employees through employment opportunities within the
taxpayer's workforce.

(f) A taxpayer may not enter into more than one agreement
under this Act with respect to a single address or location for
the same period of time. Also, a taxpayer may not enter into an
agreement under this Act with respect to a single address or
location for the same period of time for which the taxpayer
currently holds an active agreement under the Economic
Development for a Growing Economy Tax Credit Act. This
provision does not preclude the applicant from entering into
an additional agreement after the expiration or voluntary
termination of an earlier agreement under this Act or under
the Economic Development for a Growing Economy Tax Credit Act
to the extent that the taxpayer's application otherwise
satisfies the terms and conditions of this Act and is approved
by the Department. An applicant with an existing agreement
under the Economic Development for a Growing Economy Tax
Credit Act may submit an application for an agreement under
this Act after it terminates any existing agreement under the
Economic Development for a Growing Economy Tax Credit Act with
respect to the same address or location.
Section 110-25. Review of application. The Department shall determine which projects will benefit the State. In making its recommendation that an applicant's application for credit should or should not be accepted, which shall occur within a reasonable time frame as determined by the nature of the application, the Department shall determine that all the following conditions exist:

(1) the applicant intends to make the required investment in the State and intends to hire the required number of full-time employees;

(2) the applicant's project is economically sound, will benefit the people of the State by increasing opportunities for employment, and will strengthen the economy of the State;

(3) awarding the credit will result in an overall positive fiscal impact to the State, as certified by the Department using the best available data; and

(4) the credit is not prohibited under this Act.

Section 110-30. Tax credit awards.

(a) Subject to the conditions set forth in this Act, a taxpayer is entitled to a credit against the tax imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for a taxable year beginning on or after January 1, 2025 if the taxpayer is awarded a credit by the Department in accordance with an agreement under this Act.
The Department has authority to award credits under this Act on and after January 1, 2023.

(b) A taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, not to exceed the sum of (i) 75% of the incremental income tax attributable to new employees at the applicant's project and (ii) 10% of the training costs of the new employees. If the project is located in an underserved area or an energy transition area, then the amount of the credit may not exceed the sum of (i) 100% of the incremental income tax attributable to new employees at the applicant's project; and (ii) 10% of the training costs of the new employees. The percentage of training costs includable in the calculation may be increased by an additional 15% for training costs associated with new employees that are recent (2 years or less) graduates, certificate holders, or credential recipients from an institution of higher education in Illinois, or, if the training is provided by an institution of higher education in Illinois, the Clean Jobs Workforce Network Program, or an apprenticeship and training program located in Illinois and approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. An applicant is also eligible for a training credit that shall not exceed 10% of the training costs of retained employees for the purpose of upskilling to meet the operational needs of the applicant or the project. The percentage of training costs
includable in the calculation shall not exceed a total of 25%.
If an applicant agrees to hire the required number of new employees, then the maximum amount of the credit for that applicant may be increased by an amount not to exceed 25% of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must, if applicable, meet or exceed the statewide baseline. If the Project is in an underserved area or an energy transition area, the maximum amount of the credit attributable to retained employees for the applicant may be increased to an amount not to exceed 50% of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must meet or exceed the statewide baseline. Credits awarded may include credit earned for incremental income tax withheld and training costs incurred by the taxpayer beginning on or after January 1, 2023. Credits so earned and certified by the Department may be applied against the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for taxable years beginning on or after January 1, 2025.

(c) MICRO Construction Jobs Credit. For construction wages associated with a project that qualified for a credit under subsection (b), the taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of
the Illinois Income Tax Act in an amount equal to 50% of the
incremental income tax attributable to construction wages paid
in connection with construction of the project facilities, as
a jobs credit for workers hired to construct the project.

The MICRO Construction Jobs Credit may not exceed 75% of
the amount of the incremental income tax attributable to
construction wages paid in connection with construction of the
project facilities if the project is in an underserved area or
an energy transition area.

(d) The Department shall certify to the Department of
Revenue: (1) the identity of Taxpayers that are eligible for
the MICRO Credit and MICRO Construction Jobs Credit; (2) the
amount of the MICRO Credits and MICRO Construction Jobs
Credits awarded in each calendar year; and (3) the amount of
the MICRO Credit and MICRO Construction Jobs Credit claimed in
each calendar year. MICRO Credits awarded may include credit
earned for Incremental Income Tax withheld and Training Costs
incurred by the Taxpayer beginning on or after January 1,
2023. Credits so earned and certified by the Department may be
applied against the tax imposed by Section 201(a) and (b) of
the Illinois Income Tax Act for taxable years beginning on or
after January 1, 2025.

(e) Applicants seeking certification for a tax credits
related to the construction of the project facilities in the
State shall require the contractor to enter into a project
labor agreement that conforms with the Project Labor
(f) Any applicant issued a certificate for a tax credit or tax exemption under this Act must annually report to the Department the total project tax benefits received. Reports are due no later than May 31 of each year and shall cover the previous calendar year. The first report is for the 2023 calendar year and is due no later than May 31, 2023.

(g) Nothing in this Act shall prohibit an award of credit to an applicant that uses a PEO if all other award criteria are satisfied.

(h) With respect to any portion of a Credit that is based on the incremental income tax attributable to new employees or retained employees, in lieu of the Credit allowed under this Act against the taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, a taxpayer that otherwise meets the criteria set forth in this Section, the taxpayer may elect to claim the credit, on or after January 1, 2025, against its obligation to pay over withholding under Section 704A of the Illinois Income Tax Act. The election shall be made in the manner prescribed by the Department of Revenue and once made shall be irrevocable.

Section 110-35. Relocation of jobs in Illinois. A taxpayer is not entitled to claim a credit provided by this Act with respect to any jobs that the Taxpayer relocates from one site in Illinois to another site in Illinois. Any full-time
employee relocated to Illinois in connection with a qualifying project is deemed to be a new employee for purposes of this Act. Determinations under this Section shall be made by the Department.

Section 110-40. Amount and duration of the credits; limitation to amount of costs of specified items. The Department shall determine the amount and duration of the credit awarded under this Act, subject to the limitations set forth in this Act. For a project that qualified under paragraph (1), (2), or (4) of subsection (c) of Section 110-20, the duration of the credit may not exceed 15 taxable years. For project that qualified under paragraph (3) of subsection (c) of Section 110-20, the duration of the credit may not exceed 10 taxable years. The credit may be stated as a percentage of the incremental income tax and training costs attributable to the applicant's project and may include a fixed dollar limitation.

Nothing in this Section shall prevent the Department, in consultation with the Department of Revenue, from adopting rules to extend the sunset of any earned, existing, and unused tax credit or credits a taxpayer may be in possession of.

Section 110-45. Contents of agreements with applicants.

(a) The Department shall enter into an agreement with an applicant that is awarded a credit under this Act. The
agreement shall include all of the following:

(1) A detailed description of the project that is the subject of the agreement, including the location and amount of the investment and jobs created or retained.

(2) The duration of the credit, the first taxable year for which the credit may be awarded, and the first taxable year in which the credit may be used by the taxpayer.

(3) The credit amount that will be allowed for each taxable year.

(4) For a project qualified under paragraphs (1), (2), or (4) of subsection (c) of Section 110-20, a requirement that the taxpayer shall maintain operations at the project location a minimum number of years not to exceed 15. For project qualified under paragraph (3) of subsection (c) of Section 110-20, a requirement that the taxpayer shall maintain operations at the project location a minimum number of years not to exceed 10.

(5) A specific method for determining the number of new employees and, if applicable, retained employees, employed during a taxable year.

(6) A requirement that the taxpayer shall annually report to the Department the number of new employees, the incremental income tax withheld in connection with the new employees, and any other information the Department deems necessary and appropriate to perform its duties under this Act.
A requirement that the Director is authorized to verify with the appropriate State agencies the amounts reported under paragraph (6), and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.

A requirement that the taxpayer shall provide written notification to the Director not more than 30 days after the taxpayer makes or receives a proposal that would transfer the taxpayer's State tax liability obligations to a successor taxpayer.

A detailed description of the number of new employees to be hired, and the occupation and payroll of full-time jobs to be created or retained because of the project.

The minimum investment the taxpayer will make in capital improvements, the time period for placing the property in service, and the designated location in Illinois for the investment.

A requirement that the taxpayer shall provide written notification to the Director and the Director's designee not more than 30 days after the taxpayer determines that the minimum job creation or retention, employment payroll, or investment no longer is or will be achieved or maintained as set forth in the terms and conditions of the agreement. Additionally, the notification should outline to the Department the number
of layoffs, date of the layoffs, and detail taxpayer's efforts to provide career and training counseling for the impacted workers with industry-related certifications and trainings.

(12) A provision that, if the total number of new employees falls below a specified level, the allowance of credit shall be suspended until the number of new employees equals or exceeds the agreement amount.

(13) If applicable, a provision that specifies the statewide baseline at the time of application for retained employees. Additionally, the agreement must have a provision addressing if the total number retained employees falls below the statewide baseline, the allowance of the credit shall be suspended until the number of retained employees equals or exceeds the agreement amount.

(14) A detailed description of the items for which the costs incurred by the Taxpayer will be included in the limitation on the Credit.

(15) A provision stating that if the taxpayer fails to meet either the investment or job creation and retention requirements specified in the agreement during the entire 5-year period beginning on the first day of the first taxable year in which the agreement is executed and ending on the last day of the fifth taxable year after the agreement is executed, then the agreement is automatically
terminated on the last day of the fifth taxable year after
the agreement is executed, and the taxpayer is not
entitled to the award of any credits for any of that 5-year
period.

(16) A provision stating that if the taxpayer ceases
principal operations with the intent to permanently shut
down the project in the State during the term of the
Agreement, then the entire credit amount awarded to the
taxpayer prior to the date the taxpayer ceases principal
operations shall be returned to the Department and shall
be reallocated to the local workforce investment area in
which the project was located.

(17) A provision stating that the Taxpayer must
provide the reports outlined in Sections 110-50 and 110-55
on or before April 15 each year.

(18) A provision requiring the taxpayer to report
annually its contractual obligations or otherwise with a
recycling facility for its operations.

(19) Any other performance conditions or contract
provisions the Department determines are necessary or
appropriate.

(20) Each taxpayer under paragraph (1) of subsection
(c) of Section 110-20 above shall maintain labor
neutrality toward any union organizing campaign for any
employees of the taxpayer assigned to work on the premises
of the project. This paragraph shall not apply to a
manufacturer who is subject to collective bargaining agreement entered into prior to the taxpayer filing an application pursuant to this Act.

(b) The Department shall post on its website the terms of each agreement entered into under this Act. Such information shall be posted within 10 days after entering into the agreement and must include the following:

1. the name of the taxpayer;
2. the location of the project;
3. the estimated value of the credit;
4. the number of new employee jobs and, if applicable, number of retained employee jobs at the project; and
5. whether or not the project is in an underserved area or energy transition area.

Section 110-50. Diversity report on the taxpayer's workforce, board of directors, and vendors.

(a) Each taxpayer with a workforce of 100 or more employees and with an agreement for a credit under this Act shall, starting on April 15, 2026, and every year thereafter prior to April 15, for which the Taxpayer has an Agreement under this Act, submit to the Department an annual report detailing the diversity of the taxpayer's own workforce, including full-time and part-time employees, contractors, and board of directors' membership. Any taxpayer seeking to claim
a credit under this Act that fails to timely submit the required report shall not receive a credit for that taxable year unless and until such report is finalized and submitted to the Department. The report should also address the Taxpayer's best efforts to meet or exceed the recruitment and hiring plan outlined in the application referenced in Section 110-20. Those reports shall be submitted in the form and manner required by the Department.

(b) Vendor diversity and annual report. Each taxpayer with a workforce of 100 or more full-time employees shall, starting on April 15, 2025 and every year thereafter for which the taxpayer has an Agreement under this Act, report on the diversity of the vendors that it utilizes, for publication on the Department's website, and include the following information:

(1) a point of contact for potential vendors to register with the taxpayer's project;

(2) certifications that the taxpayer accepts or recognizes for minority and women-owned businesses as entities;

(3) the taxpayer's goals to contract with diverse vendors, if any, for the next fiscal year for the entire budget of the taxpayer's project;

(4) for the last fiscal year, the actual contractual spending for the entire budget of the project and the actual spending for minority-owned businesses and
women-owned businesses, expressed as a percentage of the total budget for actual spending for the project;

(5) a narrative explaining the results of the report and the taxpayer's plan to address the voluntary goals for the next fiscal year; and

(6) a copy of the taxpayer's submission of vendor diversity information to the federal government, including but not limited to vendor diversity goals and actual contractual spending for minority-and women-owned businesses, if the Taxpayer is a federal contractor and is required by the federal government to submit such information.

Section 110-55. Sexual harassment policy report. Each taxpayer claiming a credit under this Act shall, prior to April 15 of each taxable year for which the taxpayer claims a credit under this Act, submit to the Department a report detailing that taxpayer's sexual harassment policy, which contains, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) the vendor's internal complaint process, including penalties; (v) the legal recourse and investigative and complaint processes available through the Department; (vi) directions on how to contact the Department; and (vii) protection against retaliation as
provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policy shall be provided to the Department upon request. The reports required under this Section shall be submitted in a form and manner determined by the Department.

Section 110-60. Certificate of verification; submission to the Department of Revenue.

(a) A taxpayer claiming a credit under this Act shall submit to the Department of Revenue a copy of the Director's certificate of verification under this Act for the taxable year. However, failure to submit a copy of the certificate with the taxpayer's tax return shall not invalidate a claim for a credit.

(b) For a taxpayer to be eligible for a certificate of verification, the taxpayer shall provide proof as required by the Department, prior to the end of each calendar year, including, but not limited to, attestation by the taxpayer that:

(1) The project has achieved the level of new employee jobs specified in the agreement.

(2) The project has achieved the level of annual payroll in Illinois specified in its agreement.

(3) The project has achieved the level of capital improvements in Illinois specified in its agreement.

Section 110-65. Certified payroll.
(a) Each contractor and subcontractor that is engaged in construction work on project facilities for a taxpayer who seeks to apply for a MICRO Construction Jobs Credit shall:

(1) make and keep, for a period of 5 years from the date of the last payment made on a contract or subcontract for construction of facilities for a project pursuant to an agreement, records of all laborers and other workers employed by the contractor or subcontractor on the project; the records shall include:

(A) the worker's name;
(B) the worker's address;
(C) the worker's telephone number, if available;
(D) the worker's social security number;
(E) the worker's classification or classifications;
(F) the worker's gross and net wages paid in each pay period;
(G) the worker's number of hours worked in each day;
(H) the worker's starting and ending times of work each day;
(I) the worker's hourly wage rate; and
(J) the worker's hourly overtime wage rate; and

(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the project; within 5
business days after receiving the certified payroll, the
Taxpayer shall file the certified payroll with the
Department of Labor and the Department; a certified
payroll must be filed for only those calendar months
during which construction on the project facilities has
occurred; the certified payroll shall consist of a
complete copy of the records identified in paragraph (1),
but may exclude the starting and ending times of work each
day; the certified payroll shall be accompanied by a
statement signed by the contractor or subcontractor or an
officer, employee, or agent of the contractor or
subcontractor which avers that:

(A) he or she has examined the certified payroll
records required to be submitted by the Act and such
records are true and accurate; and

(B) the contractor or subcontractor is aware that
filing a certified payroll that he or she knows to be
false is a Class A misdemeanor.

A general contractor is not prohibited from relying on a
certified payroll of a lower-tier subcontractor, provided the
general contractor does not knowingly rely upon a
subcontractor's false certification.

(b) Any contractor or subcontractor subject to this
Section, and any officer, employee, or agent of such
contractor or subcontractor whose duty as an officer,
employee, or agent it is to file a certified payroll under this
Section, who willfully fails to file such a certified payroll, on or before the date such certified payroll is required to be filed and any person who willfully files a false certified payroll as to any material fact is in violation of this Act and guilty of a Class A misdemeanor and may be enforced by the Illinois Department of Labor or the Department. The Attorney General shall represented the Illinois Department of Labor or the Department in the proceeding.

(c) The taxpayer in charge of the project shall keep the records submitted in accordance with this Section for a period of 5 years from the date of the last payment for work on a contract or subcontract for the project.

(d) The records submitted in accordance with this Section shall be considered public records, except an employee's address, telephone number, and social security number, which shall be redacted. The records shall be made publicly available in accordance with the Freedom of Information Act. The contractor or subcontractor shall submit reports to the Department of Labor electronically that meet the requirements of this subsection and shall share the information with the Department to comply with the awarding of the MICRO Construction Jobs Credit. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

(e) Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying
at a location within this State during reasonable hours, the
records identified in paragraph (1) of this subsection to the
Taxpayer in charge of the Project, its officers and agents,
the Director of the Department of Labor and his/her deputies
and agents, and to federal, State, or local law enforcement
agencies and prosecutors.

Section 110-70. Noncompliance; notice; assessment. If the
Director determines that a taxpayer who has received a credit
under this Act is not complying with the requirements of the
agreement or all of the provisions of this Act, the Director
shall provide notice to the taxpayer of the alleged
noncompliance and allow the taxpayer a hearing under the
provisions of the Illinois Administrative Procedure Act. If,
after such notice and any hearing, the Director determines
that a noncompliance exists, the Director shall issue to the
Department of Revenue notice to that effect, stating the
noncompliance date. If, during the term of an agreement, the
taxpayer ceases operations at a project location that is the
subject of that agreement with the intent to terminate
operations in the State, the Department and the Department of
Revenue shall recapture from the taxpayer the entire credit
amount awarded under that agreement prior to the date the
taxpayer ceases operations. The Department shall, subject to
appropriation, reallocate the recaptured amounts within 6
months to the local workforce investment area in which the
project was located for purposes of workforce development, expanded opportunities for unemployed persons, and expanded opportunities for women and minority persons in the workforce. The taxpayer will be ineligible for future funding under other State tax credit or exemption programs for a 36-month period. Noncompliance of the agreement with result in a default of other agreements for State tax credits and exemption programs for the project.

Section 110-75. Annual report.

(a) On or before July 1 each year, the Department shall submit a report on the tax credit program under this Act to the Governor and the General Assembly. The report shall include information on the number of agreements that were entered into under this Act during the preceding calendar year, a description of the project that is the subject of each agreement, an update on the status of projects under agreements entered into before the preceding calendar year, and the sum of the credits awarded under this Act. A copy of the report shall be delivered to the Governor and to each member of the General Assembly.

(b) The report must include, for each agreement:

(1) the original estimates of the value of the credit and the number of new employee jobs to be created and, if applicable, the number of retained employee jobs;

(2) any relevant modifications to existing agreements;
(3) a statement of the progress made by each taxpayer in meeting the terms of the original agreement;

(4) a statement of wages paid to new employees and, if applicable, retained employees in the State; and

(5) a copy of the original agreement or link to the agreement on the Department's website.

Section 110-80. Evaluation of tax credit program. The Department shall evaluate the tax credit program every three years and issue a report. The evaluation shall include an assessment of the effectiveness of the program in creating new jobs in Illinois and of the revenue impact of the program and may include a review of the practices and experiences of other states with similar programs. The Director shall submit a report on the evaluation to the Governor and the General Assembly three years after the Effective Date of the Act and every three years thereafter.

Section 110-85. Sunset of new agreements. The Department shall not enter into any new Agreements under the provisions of this Act after December 31, 2028.

Section 110-95. Utility tax exemptions for MICRO projects. The Department may certify a taxpayer with a credit for a project that meets the qualifications under paragraphs (1), (2), and (4) of subsection (c) of Section 110-20, subject to an
agreement under this Act, for an exemption from the tax imposed at the project site by Section 2-4 of the Electricity Excise Tax Law. To receive such certification, the taxpayer must be registered to self-assess that tax. The taxpayer is also exempt from any additional charges added to the taxpayer's utility bills at the project site as a pass-on of State utility taxes under Section 9-222 of the Public Utilities Act. The taxpayer must meet any other the criteria for certification set by the Department.

The Department shall determine the period during which the exemption from the Electricity Excise Tax Law and the charges imposed under Section 9-222 of the Public Utilities Act are in effect, which shall not exceed 10 years from the date of the taxpayer's initial receipt of certification from the Department under this Section.

The Department is authorized to adopt rules to carry out the provisions of this Section, including procedures to apply for the exemptions; to define the amounts and types of eligible investments that an applicant must make in order to receive electricity excise tax exemptions or exemptions from the additional charges imposed under Section 9-222 and the Public Utilities Act; to approve such electricity excise tax exemptions for applicants whose investments are not yet placed in service; and to require that an applicant granted an electricity excise tax exemption or an exemption from additional charges under Section 9-222 of the Public Utilities
Act repay the exempted amount if the Applicant fails to comply with the terms and conditions of the agreement.

Upon certification by the Department under this Section, the Department shall notify the Department of Revenue of the certification. The Department of Revenue shall notify the public utilities of the exempt status of any taxpayer certified for exemption under this Act from the electricity excise tax or pass-on charges. The exemption status shall take effect within 3 months after certification of the taxpayer and notice to the Department of Revenue by the Department.

Section 110-100. Investment tax credits for MICRO projects. Subject to the conditions set forth in this Act, a Taxpayer is entitled to an investment tax credit toward taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for a taxable year in which the Taxpayer, in accordance with an Agreement under this Act for that taxable year, invests in qualified property which is placed in service at the site of a project. The Department has authority to certify the amount of such investment tax credits to the Department of Revenue. The credit shall be 0.5% of the basis for such property and shall be determined in accordance with Section 239 of the Illinois Income Tax Act. The credit shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax
imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act to below zero. Unused credit may be carried forward in accordance with Section 239 of the Illinois Income Tax Act for use in future taxable years. Any taxpayer qualifying for the Investment Tax Credit shall not be eligible for either the investment tax credits in Section 201(e), (f), or (h) of the Illinois Income Tax Act.

Section 110-105. Building materials exemptions for project sites.

(a) The Department may certify a Taxpayer with a project that meets the qualifications under paragraphs (1), (2), or (4) of subsection (c) of Section 110-20, subject to an agreement under this Act, for an exemption from any State or local use tax or retailers' occupation tax on building materials for the construction of its project facilities. The taxpayer must meet any criteria for certification set by the Department under this Act.

The Department shall determine the period during which the exemption from State and local use tax and retailers' occupation tax are in effect, but in no event shall exceed 5 years in accordance with Section 5m of the Retailers' Occupation Tax Act.

The Department is authorized to promulgate rules and regulations to carry out the provisions of this Section, including procedures to apply for the exemption; to define the
amounts and types of eligible investments that an applicant
must make in order to receive tax exemption; to approve such
tax exemption for an applicant whose investments are not yet
placed in service; and to require that an applicant granted
exemption repay the exempted amount if the applicant fails to
comply with the terms and conditions of the agreement with the
Department.

Upon certification by the Department under this Section,
the Department shall notify the Department of Revenue of the
certification. The exemption status shall take effect within 3
months after certification of the taxpayer and notice to the
Department of Revenue by the Department.

Section 110-905. The Illinois Income Tax Act is amended by
changing Section 704A and by adding Sections 238 and 239 as
follows:

(35 ILCS 5/238 new)

Sec. 238. MICRO credits.

(a) For tax years beginning on or after January 1, 2025, a
taxpayer who has entered into an agreement under the
Manufacturing Illinois Chips for Real Opportunity (MICRO) Act
is entitled to a credit against the taxes imposed under
subsections (a) and (b) of Section 201 of this Act in an amount
to be determined in the Agreement. The taxpayer may elect to
claim the credit, on or after January 1, 2026, against its
obligation to pay over withholding under Section 704A of this Act as provided in this Section. If the taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code. The Department, in cooperation with the Department of Commerce and Economic Opportunity, shall adopt rules to enforce and administer the provisions of this Section. This Section is exempt from the provisions of Section 250 of this Act.

(b) The credit is subject to the conditions set forth in the agreement and the following limitations:

(1) The tax credit may be in the form of either or both the MICRO Illinois Credit or the MICRO Construction Jobs Credit and shall not exceed the percentage of incremental income tax and percentage of training costs permitted in that Act and in the agreement with respect to the project.

(2) The amount of the credit allowed during a tax year plus the sum of all amounts allowed in prior tax years shall not exceed the maximum amount of credit established in the agreement.

(3) The amount of the credit shall be determined on an annual basis. Except as applied in a carryover year pursuant to paragraph (4), the credit may not be applied against any State income tax liability in more than 15
taxable years.

(4) The credit may not exceed the amount of taxes imposed pursuant to subsections (a) and (b) of Section 201 of this Act. Any credit that is unused in the year the credit is computed may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one tax year that are available to offset a liability, the earlier credit shall be applied first.

(5) No credit shall be allowed with respect to any agreement for any taxable year ending after the noncompliance date. Upon receiving notification by the Department of Commerce and Economic Opportunity of the noncompliance of a taxpayer with an agreement, the Department shall notify the taxpayer that no credit is allowed with respect to that agreement for any taxable year ending after the noncompliance date, as stated in such notification. If any credit has been allowed with respect to an agreement for a taxable year ending after the noncompliance date for that agreement, any refund paid to the taxpayer for that taxable year shall, to the extent of that credit allowed, be an erroneous refund within the meaning of Section 912 of this Act.

If, during any taxable year, a taxpayer ceases
operations at a project location that is the subject of that agreement with the intent to terminate operations in the State, the tax imposed under subsections (a) and (b) of Section 201 of this Act for such taxable year shall be increased by the amount of any credit allowed under the Agreement for that Project location prior to the date the Taxpayer ceases operations.

(6) Instead of claiming the credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act, with respect to the portion of a MICRO Illinois credit that is calculated based on the Incremental Income Tax attributable to new employees and retained employees, the taxpayer may elect, in accordance with the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, to claim the credit, on or after January 1, 2026, against its obligation to pay over withholding under Section 704A of the Illinois Income Tax Act. Any credit for which a Taxpayer makes such an election shall not be claimed against the taxes imposed under subsections (a) and (b) of Section 201 of this Act.

(35 ILCS 5/239 new)

Sec. 239. MICRO Investment Tax credits.

(a) For tax years beginning on or after January 1, 2025, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of Section 201 for investment in
qualified property which is placed in service at the site of a project that is subject to an agreement between the taxpayer and the Department of Commerce and Economic Opportunity pursuant to the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act. If the taxpayer is a partnership or a Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code. The credit shall be 0.5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of Section 201 to below zero. The credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(b) The term qualified property means property which:

(1) is tangible, whether new or used, including
(2) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this Section; 

(3) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code; 

(4) is used at the site of the MICRO Illinois project by the taxpayer; and 

(5) has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit provided by this Section.

(c) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(d) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service at the site of the project by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(e) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(f) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved from the project site within 48
months after being placed in service, the tax imposed under subsections (a) and (b) of Section 201 for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this subsection (f), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(35 ILCS 5/704A)

Sec. 704A. Employer's return and payment of tax withheld.

(a) In general, every employer who deducts and withholds or is required to deduct and withhold tax under this Act on or after January 1, 2008 shall make those payments and returns as provided in this Section.

(b) Returns. Every employer shall, in the form and manner required by the Department, make returns with respect to taxes withheld or required to be withheld under this Article 7 for each quarter beginning on or after January 1, 2008, on or before the last day of the first month following the close of that quarter.

(c) Payments. With respect to amounts withheld or required
to be withheld on or after January 1, 2008:

(1) Semi-weekly payments. For each calendar year, each employer who withheld or was required to withhold more than $12,000 during the one-year period ending on June 30 of the immediately preceding calendar year, payment must be made:

(A) on or before each Friday of the calendar year, for taxes withheld or required to be withheld on the immediately preceding Saturday, Sunday, Monday, or Tuesday;

(B) on or before each Wednesday of the calendar year, for taxes withheld or required to be withheld on the immediately preceding Wednesday, Thursday, or Friday.

Beginning with calendar year 2011, payments made under this paragraph (1) of subsection (c) must be made by electronic funds transfer.

(2) Semi-weekly payments. Any employer who withholds or is required to withhold more than $12,000 in any quarter of a calendar year is required to make payments on the dates set forth under item (1) of this subsection (c) for each remaining quarter of that calendar year and for the subsequent calendar year.

(3) Monthly payments. Each employer, other than an employer described in items (1) or (2) of this subsection, shall pay to the Department, on or before the 15th day of
each month the taxes withheld or required to be withheld
during the immediately preceding month.

(4) Payments with returns. Each employer shall pay to
the Department, on or before the due date for each return
required to be filed under this Section, any tax withheld
or required to be withheld during the period for which the
return is due and not previously paid to the Department.

(d) Regulatory authority. The Department may, by rule:

(1) Permit employers, in lieu of the requirements of
subsections (b) and (c), to file annual returns due on or
before January 31 of the year for taxes withheld or
required to be withheld during the previous calendar year
and, if the aggregate amounts required to be withheld by
the employer under this Article 7 (other than amounts
required to be withheld under Section 709.5) do not exceed
$1,000 for the previous calendar year, to pay the taxes
required to be shown on each such return no later than the
due date for such return.

(2) Provide that any payment required to be made under
subsection (c)(1) or (c)(2) is deemed to be timely to the
extent paid by electronic funds transfer on or before the
due date for deposit of federal income taxes withheld
from, or federal employment taxes due with respect to, the
wages from which the Illinois taxes were withheld.

(3) Designate one or more depositories to which
payment of taxes required to be withheld under this
Article 7 must be paid by some or all employers.

(4) Increase the threshold dollar amounts at which employers are required to make semi-weekly payments under subsection (c)(1) or (c)(2).

(e) Annual return and payment. Every employer who deducts and withholds or is required to deduct and withhold tax from a person engaged in domestic service employment, as that term is defined in Section 3510 of the Internal Revenue Code, may comply with the requirements of this Section with respect to such employees by filing an annual return and paying the taxes required to be deducted and withheld on or before the 15th day of the fourth month following the close of the employer's taxable year. The Department may allow the employer's return to be submitted with the employer's individual income tax return or to be submitted with a return due from the employer under Section 1400.2 of the Unemployment Insurance Act.

(f) Magnetic media and electronic filing. With respect to taxes withheld in calendar years prior to 2017, any W-2 Form that, under the Internal Revenue Code and regulations promulgated thereunder, is required to be submitted to the Internal Revenue Service on magnetic media or electronically must also be submitted to the Department on magnetic media or electronically for Illinois purposes, if required by the Department.

With respect to taxes withheld in 2017 and subsequent calendar years, the Department may, by rule, require that any
return (including any amended return) under this Section and any W-2 Form that is required to be submitted to the Department must be submitted on magnetic media or electronically.

The due date for submitting W-2 Forms shall be as prescribed by the Department by rule.

(g) For amounts deducted or withheld after December 31, 2009, a taxpayer who makes an election under subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act for a taxable year shall be allowed a credit against payments due under this Section for amounts withheld during the first calendar year beginning after the end of that taxable year equal to the amount of the credit for the incremental income tax attributable to full-time employees of the taxpayer awarded to the taxpayer by the Department of Commerce and Economic Opportunity under the Economic Development for a Growing Economy Tax Credit Act for the taxable year and credits not previously claimed and allowed to be carried forward under Section 211(4) of this Act as provided in subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act. The credit or credits may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit or credits exceeds the total payments due under this Section with respect to amounts withheld during the calendar year, the excess may be carried forward and applied against the taxpayer's liability under this Section in the
succeeding calendar years as allowed to be carried forward under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one taxable year that are available to offset a liability, the earlier credit shall be applied first. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings under subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depositary designated by the Department those withheld taxes not retained by the taxpayer. For purposes of this subsection (g), the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection (a) of Section 1501 of this Act. This Section is exempt from the provisions of Section 250 of this Act. No credit awarded under the Economic Development for a Growing Economy Tax Credit Act for agreements entered into on or after January 1, 2015 may be credited against payments due under this Section.

(g-1) For amounts deducted or withheld after December 31, 2024, a taxpayer who makes an election under the Reimagining Electric Vehicles in Illinois Act shall be allowed a credit against payments due under this Section for amounts withheld
during the first quarterly reporting period beginning after
the certificate is issued equal to the portion of the REV
Illinois Credit attributable to the incremental income tax
attributable to new employees and retained employees as
certified by the Department of Commerce and Economic
Opportunity pursuant to an agreement with the taxpayer under
the Reimagining Electric Vehicles in Illinois Act for the
taxable year. The credit or credits may not reduce the
taxpayer's obligation for any payment due under this Section
to less than zero. If the amount of the credit or credits
exceeds the total payments due under this Section with respect
to amounts withheld during the quarterly reporting period, the
excess may be carried forward and applied against the
taxpayer's liability under this Section in the succeeding
quarterly reporting period as allowed to be carried forward
under paragraph (4) of Section 211 of this Act. The credit or
credits shall be applied to the earliest quarterly reporting
period for which there is a tax liability. If there are credits
from more than one quarterly reporting period that are
available to offset a liability, the earlier credit shall be
applied first. Each employer who deducts and withholds or is
required to deduct and withhold tax under this Act and who
retains income tax withholdings this subsection must make a
return with respect to such taxes and retained amounts in the
form and manner that the Department, by rule, requires and pay
to the Department or to a depositary designated by the
Department those withheld taxes not retained by the taxpayer. For purposes of this subsection (g-1), the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection (a) of Section 1501 of this Act. This Section is exempt from the provisions of Section 250 of this Act.

(g-2) For amounts deducted or withheld after December 31, 2024, a taxpayer who makes an election under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act shall be allowed a credit against payments due under this Section for amounts withheld during the first quarterly reporting period beginning after the certificate is issued equal to the portion of the MICRO Illinois Credit attributable to the incremental income tax attributable to new employees and retained employees as certified by the Department of Commerce and Economic Opportunity pursuant to an agreement with the taxpayer under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act for the taxable year. The credit or credits may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit or credits exceeds the total payments due under this Section with respect to amounts withheld during the quarterly reporting period, the excess may be carried forward and applied against the taxpayer's liability under this Section in the succeeding quarterly reporting period as allowed to be carried forward under paragraph (4) of Section
211 of this Act. The credit or credits shall be applied to the earliest quarterly reporting period for which there is a tax liability. If there are credits from more than one quarterly reporting period that are available to offset a liability, the earlier credit shall be applied first. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings this subsection must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depositary designated by the Department those withheld taxes not retained by the taxpayer. For purposes of this subsection, the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection (a) of Section 1501 of this Act. This Section is exempt from the provisions of Section 250 of this Act.

(h) An employer may claim a credit against payments due under this Section for amounts withheld during the first calendar year ending after the date on which a tax credit certificate was issued under Section 35 of the Small Business Job Creation Tax Credit Act. The credit shall be equal to the amount shown on the certificate, but may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit exceeds the total payments due under this Section with respect to amounts
withheld during the calendar year, the excess may be carried forward and applied against the taxpayer's liability under this Section in the 5 succeeding calendar years. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one calendar year that are available to offset a liability, the earlier credit shall be applied first. This Section is exempt from the provisions of Section 250 of this Act.

(i) Each employer with 50 or fewer full-time equivalent employees during the reporting period may claim a credit against the payments due under this Section for each qualified employee in an amount equal to the maximum credit allowable. The credit may be taken against payments due for reporting periods that begin on or after January 1, 2020, and end on or before December 31, 2027. An employer may not claim a credit for an employee who has worked fewer than 90 consecutive days immediately preceding the reporting period; however, such credits may accrue during that 90-day period and be claimed against payments under this Section for future reporting periods after the employee has worked for the employer at least 90 consecutive days. In no event may the credit exceed the employer's liability for the reporting period. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings under this subsection must make a return with respect to such taxes and retained amounts in the form and
manner that the Department, by rule, requires and pay to the
Department or to a depositary designated by the Department
those withheld taxes not retained by the employer.

For each reporting period, the employer may not claim a
credit or credits for more employees than the number of
employees making less than the minimum or reduced wage for the
current calendar year during the last reporting period of the
preceding calendar year. Notwithstanding any other provision
of this subsection, an employer shall not be eligible for
credits for a reporting period unless the average wage paid by
the employer per employee for all employees making less than
$55,000 during the reporting period is greater than the
average wage paid by the employer per employee for all
employees making less than $55,000 during the same reporting
period of the prior calendar year.

For purposes of this subsection (i):

"Compensation paid in Illinois" has the meaning ascribed
to that term under Section 304(a)(2)(B) of this Act.

"Employer" and "employee" have the meaning ascribed to
those terms in the Minimum Wage Law, except that "employee"
also includes employees who work for an employer with fewer
than 4 employees. Employers that operate more than one
establishment pursuant to a franchise agreement or that
constitute members of a unitary business group shall aggregate
their employees for purposes of determining eligibility for
the credit.
"Full-time equivalent employees" means the ratio of the number of paid hours during the reporting period and the number of working hours in that period.

"Maximum credit" means the percentage listed below of the difference between the amount of compensation paid in Illinois to employees who are paid not more than the required minimum wage reduced by the amount of compensation paid in Illinois to employees who were paid less than the current required minimum wage during the reporting period prior to each increase in the required minimum wage on January 1. If an employer pays an employee more than the required minimum wage and that employee previously earned less than the required minimum wage, the employer may include the portion that does not exceed the required minimum wage as compensation paid in Illinois to employees who are paid not more than the required minimum wage.

1. 25% for reporting periods beginning on or after January 1, 2020 and ending on or before December 31, 2020;
2. 21% for reporting periods beginning on or after January 1, 2021 and ending on or before December 31, 2021;
3. 17% for reporting periods beginning on or after January 1, 2022 and ending on or before December 31, 2022;
4. 13% for reporting periods beginning on or after January 1, 2023 and ending on or before December 31, 2023;
5. 9% for reporting periods beginning on or after January 1, 2024 and ending on or before December 31, 2024;
(6) 5% for reporting periods beginning on or after January 1, 2025 and ending on or before December 31, 2025. The amount computed under this subsection may continue to be claimed for reporting periods beginning on or after January 1, 2026 and:

(A) ending on or before December 31, 2026 for employers with more than 5 employees; or

(B) ending on or before December 31, 2027 for employers with no more than 5 employees.

"Qualified employee" means an employee who is paid not more than the required minimum wage and has an average wage paid per hour by the employer during the reporting period equal to or greater than his or her average wage paid per hour by the employer during each reporting period for the immediately preceding 12 months. A new qualified employee is deemed to have earned the required minimum wage in the preceding reporting period.

"Reporting period" means the quarter for which a return is required to be filed under subsection (b) of this Section.

(Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21.)

Section 110-907. The Use Tax Act is amended by changing Section 12 as follows:

(35 ILCS 105/12) (from Ch. 120, par. 439.12)

Sec. 12. Applicability of Retailers' Occupation Tax Act
and Uniform Penalty and Interest Act. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-54, 2a, 2b, 2c, 3, 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received and except that in the case of a failure to file a return required by this Act, no notice of tax liability shall be issued on and after each July 1 and January 1 covering tax due with that return during any month or period more than 6 years before that July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5j, 5k, 5l, 5n, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, which are not inconsistent with this Act, shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 98-1098, eff. 8-26-14.)

Section 110-908. The Service Use Tax Act is amended by changing Section 12 as follows:

(35 ILCS 110/12) (from Ch. 120, par. 439.42)

Sec. 12. Applicability of Retailers' Occupation Tax Act
and Uniform Penalty and Interest Act. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the Department of the money collected under this Act), 4 (except that the time limitation provisions shall run from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received and except that in the case of a failure to file a return required by this Act, no notice of tax liability shall be issued on and after July 1 and January 1 covering tax due with that return during any month or period more than 6 years before that July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 5n, 6d, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act which are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act, shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 98-1098, eff. 8-26-14; 99-217, eff. 7-31-15.)

Section 110-909. The Service Occupation Tax Act is amended by changing Section 12 as follows:

(35 ILCS 115/12) (from Ch. 120, par. 439.112)
Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i,
1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-54, 2a, 2b, 2c, 3
(except as to the disposition by the Department of the tax
collected under this Act), 4 (except that the time limitation
provisions shall run from the date when the tax is due rather
than from the date when gross receipts are received), 5
(except that the time limitation provisions on the issuance of
notices of tax liability shall run from the date when the tax
is due rather than from the date when gross receipts are
received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 5n, 6d, 7,
8, 9, 10, 11 and 12 of the "Retailers' Occupation Tax Act"
which are not inconsistent with this Act, and Section 3-7 of
the Uniform Penalty and Interest Act shall apply, as far as
practicable, to the subject matter of this Act to the same
extent as if such provisions were included herein.
(Source: P.A. 98-1098, eff. 8-26-14; 99-217, eff. 7-31-15.)

Section 110-910. The Retailers' Occupation Tax Act is
amended by adding Section 5n as follows:

(35 ILCS 120/5n new)

Sec. 5n. Building materials exemption; microchip and
semiconductor manufacturing. Each retailer who makes a sale of
building materials that will be incorporated into real estate
in a qualified facility for which a certificate of exemption
has been issued by the Department of Commerce and Economic
Opportunity under Section 110-105 of the Manufacturing
Illinois Chips for Real Opportunity (MICRO) Act, may deduct receipts from such sales when calculating any State or local use and occupation taxes. No retailer who is eligible for the deduction or credit under Section 5k of this Act related to enterprise zones or Section 5l of this Act related to High Impact Businesses for a given sale shall be eligible for the deduction or credit authorized under this Section for that same sale.

In addition to any other requirements to document the exemption allowed under this Section, the retailer must obtain the purchaser's exemption certificate number issued by the Department. A construction contractor or other entity shall not make tax-free purchases unless it has an active exemption certificate issued by the Department at the time of purchase.

Upon request from a person that has been certified by the Department of Commerce and Economic Opportunity under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, the Department shall issue a MICRO Illinois Building Materials Exemption Certificate for each construction contractor or other entity identified by the person so certified. The Department shall make the MICRO Illinois Building Materials Exemption Certificates available to each construction contractor or other entity as well as the person certified under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act. The request for MICRO Illinois Building Materials Exemption Certificates must include the following information:
(1) the name and address of the construction contractor or other entity;

(2) the name and location or address of the building project site;

(3) the estimated amount of the exemption for each construction contractor or other entity for which a request for an exemption certificate is made, based on a stated estimated average tax rate and the percentage of the contract that consists of materials;

(4) the period of time over which supplies for the project are expected to be purchased; and

(5) other reasonable information as the Department may require, including but not limited to FEIN numbers, to determine if the contractor or other entity, or any partner, or a corporate officer, and in the case of a limited liability company, any manager or member, of the construction contractor or other entity, is or has been the owner, a partner, a corporate officer, and in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department.

The Department shall issue the exemption certificate within 3 business days after receipt of request. This requirement does not apply in circumstances where the Department, for reasonable cause, is unable to issue the
exemption certificate within 3 business days. The Department may refuse to issue an exemption certificate under this Section if the owner, any partner, or a corporate officer, and in the case of a limited liability company, any manager or member, of the construction contractor or other entity is or has been the owner, a partner, a corporate officer, and in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department.

The MICRO Illinois Building Materials Exemption Certificate shall contain language stating that, if the construction contractor or other entity who is issued the exemption certificate makes a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section or allows another person to make a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that is not eligible for the exemption.

The Department, in its discretion, may require that the request for a MICRO Illinois Exemption Certificate be submitted electronically. The Department may, in its
discretion, issue the exemption certificates electronically. The MICRO Illinois Building Materials Exemption Certificate number shall be designed in such a way that the Department can identify from the unique number on the exemption certificate issued to a given construction contractor or other entity, the name of the entity to whom the exemption certificate is issued. The MICRO Illinois Building Materials Exemption Certificate shall contain an expiration date, which shall be no more than 5 years after the date of issuance. At the request of the entity to whom the exemption certificate is issued, the Department may renew an exemption certificate issued under this Section. After the Department issues exemption certificates under this Section, the certified entity may notify the Department of additional construction contractors or other entities eligible for an exemption certificate under this Section. Upon such a notification and subject to the other provisions of this Section, the Department shall issue an exemption certificate to each additional qualified construction contractor or other entity so identified. A certified entity may notify the Department to rescind an exemption certificate previously issued by the Department that has not yet expired. Upon such a notification and subject to the other provisions of this Section, the Department shall rescind the exemption certificate.

If the Department of Revenue determines that a construction contractor or other entity that was issued an
exemption certificate under this Section made a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section or allowed another person to make a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that was not eligible for the exemption.

This Section is exempt from the provisions of Section 2-70.

Section 110-915. The Property Tax Code is amended by adding Section 18-184.20 as follows:

(35 ILCS 200/18-184.20 new)

Sec. 18-184.20. MICRO Illinois project facilities. Any taxing district, upon a majority vote of its governing body, may, after determination of the assessed value as set forth in this Code, order the clerk of the appropriate municipality or county to abate any portion of real property taxes otherwise levied or extended by the taxing district on a MICRO Illinois Project facility owned by a semiconductor manufacturer or microchip manufacturer or a semiconductor or microchip component parts manufacturer that is subject to an agreement
with the Department of Commerce and Economic Opportunity under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, during the period of time such agreement is in effect as specified by the Department of Commerce and Economic Opportunity.

Section 110-920. The Telecommunications Excise Tax Act is amended by changing Section 2 as follows:

(35 ILCS 630/2) (from Ch. 120, par. 2002)

Sec. 2. As used in this Article, unless the context clearly requires otherwise:

(a) "Gross charge" means the amount paid for the act or privilege of originating or receiving telecommunications in this State and for all services and equipment provided in connection therewith by a retailer, valued in money whether paid in money or otherwise, including cash, credits, services and property of every kind or nature, and shall be determined without any deduction on account of the cost of such telecommunications, the cost of materials used, labor or service costs or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. "Gross charges" for private line service shall include charges imposed at each channel termination point within this State, charges for the channel mileage between each channel termination point within this State, and charges
for that portion of the interstate inter-office channel provided within Illinois. Charges for that portion of the interstate inter-office channel provided in Illinois shall be determined by the retailer as follows: (i) for interstate inter-office channels having 2 channel termination points, only one of which is in Illinois, 50% of the total charge imposed; or (ii) for interstate inter-office channels having more than 2 channel termination points, one or more of which are in Illinois, an amount equal to the total charge multiplied by a fraction, the numerator of which is the number of channel termination points within Illinois and the denominator of which is the total number of channel termination points. Prior to January 1, 2004, any method consistent with this paragraph or other method that reasonably apportions the total charges for interstate inter-office channels among the states in which channel terminations points are located shall be accepted as a reasonable method to determine the charges for that portion of the interstate inter-office channel provided within Illinois for that period. However, "gross charges" shall not include any of the following:

(1) Any amounts added to a purchaser's bill because of a charge made pursuant to (i) the tax imposed by this Article; (ii) charges added to customers' bills pursuant to the provisions of Sections 9-221 or 9-222 of the Public Utilities Act, as amended, or any similar charges added to
customers' bills by retailers who are not subject to rate regulation by the Illinois Commerce Commission for the purpose of recovering any of the tax liabilities or other amounts specified in such provisions of such Act; (iii) the tax imposed by Section 4251 of the Internal Revenue Code; (iv) 911 surcharges; or (v) the tax imposed by the Simplified Municipal Telecommunications Tax Act.

(2) Charges for a sent collect telecommunication received outside of the State.

(3) Charges for leased time on equipment or charges for the storage of data or information for subsequent retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment or accounting equipment and also includes the usage of computers under a time-sharing agreement.

(4) Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges.

(5) Charges to business enterprises certified under Section 9-222.1 of the Public Utilities Act, as amended, or to electric vehicle manufacturers, electric vehicle component parts manufacturers, or electric vehicle power supply manufacturers at REV Illinois Project sites for
which a certificate of exemption has been issued by the Department of Commerce and Economic Opportunity under Section 95 of the Reimagining Electric Vehicles in Illinois Act, to the extent of such exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.1) Charges to business enterprises certified under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act.

(6) Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries when the tax imposed under this Article has already been paid to a retailer and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit for the corporation rendering such service.

(7) Bad debts. Bad debt means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectable, as determined under applicable federal income tax standards. If the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the
reporting period in which the payment is made.

(8) Charges paid by inserting coins in coin-operated telecommunication devices.

(9) Amounts paid by telecommunications retailers under the Telecommunications Municipal Infrastructure Maintenance Fee Act.

(10) Charges for nontaxable services or telecommunications if (i) those charges are aggregated with other charges for telecommunications that are taxable, (ii) those charges are not separately stated on the customer bill or invoice, and (iii) the retailer can reasonably identify the nontaxable charges on the retailer's books and records kept in the regular course of business. If the nontaxable charges cannot reasonably be identified, the gross charge from the sale of both taxable and nontaxable services or telecommunications billed on a combined basis shall be attributed to the taxable services or telecommunications. The burden of proving nontaxable charges shall be on the retailer of the telecommunications.

(b) "Amount paid" means the amount charged to the taxpayer's service address in this State regardless of where such amount is billed or paid.

(c) "Telecommunications", in addition to the meaning ordinarily and popularly ascribed to it, includes, without limitation, messages or information transmitted through use of
local, toll and wide area telephone service; private line services; channel services; telegraph services; teletypewriter; computer exchange services; cellular mobile telecommunications service; specialized mobile radio; stationary two way radio; paging service; or any other form of mobile and portable one-way or two-way communications; or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber-optics, laser, microwave, radio, satellite or similar facilities. As used in this Act, "private line" means a dedicated non-traffic sensitive service for a single customer, that entitles the customer to exclusive or priority use of a communications channel or group of channels, from one or more specified locations to one or more other specified locations. The definition of "telecommunications" shall not include value added services in which computer processing applications are used to act on the form, content, code and protocol of the information for purposes other than transmission. "Telecommunications" shall not include purchases of telecommunications by a telecommunications service provider for use as a component part of the service provided by him to the ultimate retail consumer who originates or terminates the taxable end-to-end communications. Carrier access charges, right of access charges, charges for use of inter-company facilities, and all telecommunications resold in the subsequent provision of, used as a component of, or integrated
into end-to-end telecommunications service shall be non-taxable as sales for resale.

(d) "Interstate telecommunications" means all telecommunications that either originate or terminate outside this State.

(e) "Intrastate telecommunications" means all telecommunications that originate and terminate within this State.

(f) "Department" means the Department of Revenue of the State of Illinois.

(g) "Director" means the Director of Revenue for the Department of Revenue of the State of Illinois.

(h) "Taxpayer" means a person who individually or through his agents, employees or permittees engages in the act or privilege of originating or receiving telecommunications in this State and who incurs a tax liability under this Article.

(i) "Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian or other representative appointed by order of any court, the Federal and State governments, including State universities created by statute or any city, town, county or other political subdivision of this State.

(j) "Purchase at retail" means the acquisition, consumption or use of telecommunication through a sale at retail.
(k) "Sale at retail" means the transmitting, supplying or furnishing of telecommunications and all services and equipment provided in connection therewith for a consideration to persons other than the Federal and State governments, and State universities created by statute and other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries for their use or consumption and not for resale.

(l) "Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Article. The Department may, in its discretion, upon application, authorize the collection of the tax hereby imposed by any retailer not maintaining a place of business within this State, who, to the satisfaction of the Department, furnishes adequate security to insure collection and payment of the tax. Such retailer shall be issued, without charge, a permit to collect such tax. When so authorized, it shall be the duty of such retailer to collect the tax upon all of the gross charges for telecommunications in this State in the same manner and subject to the same requirements as a retailer maintaining a place of business within this State. The permit may be revoked by the Department at its discretion.

(m) "Retailer maintaining a place of business in this State", or any like term, means and includes any retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution facilities, transmission
facilities, sales office, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

(n) "Service address" means the location of telecommunications equipment from which the telecommunications services are originated or at which telecommunications services are received by a taxpayer. In the event this may not be a defined location, as in the case of mobile phones, paging systems, maritime systems, service address means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. For air-to-ground systems and the like, service address shall mean the location of a taxpayer's primary use of the telecommunications equipment as defined by telephone number, authorization code, or location in Illinois where bills are sent.

(o) "Prepaid telephone calling arrangements" mean the right to exclusively purchase telephone or telecommunications services that must be paid for in advance and enable the origination of one or more intrastate, interstate, or international telephone calls or other telecommunications using an access number, an authorization code, or both, whether manually or electronically dialed, for which payment
to a retailer must be made in advance, provided that, unless
recharged, no further service is provided once that prepaid
amount of service has been consumed. Prepaid telephone calling
arrangements include the recharge of a prepaid calling
arrangement. For purposes of this subsection, "recharge" means
the purchase of additional prepaid telephone or
telecommunications services whether or not the purchaser
acquires a different access number or authorization code.
"Prepaid telephone calling arrangement" does not include an
arrangement whereby a customer purchases a payment card and
pursuant to which the service provider reflects the amount of
such purchase as a credit on an invoice issued to that customer
under an existing subscription plan.
(Source: P.A. 102-669, eff. 11-16-21.)

Section 110-925. The Electricity Excise Tax Law is amended
by changing Section 2-4 as follows:

(35 ILCS 640/2-4)
Sec. 2-4. Tax imposed.
(a) Except as provided in subsection (b), a tax is imposed
on the privilege of using in this State electricity purchased
for use or consumption and not for resale, other than by
municipal corporations owning and operating a local
transportation system for public service, at the following
rates per kilowatt-hour delivered to the purchaser:
For the first 2000 kilowatt-hours used or consumed in a month: 0.330 cents per kilowatt-hour;

(ii) For the next 48,000 kilowatt-hours used or consumed in a month: 0.319 cents per kilowatt-hour;

(iii) For the next 50,000 kilowatt-hours used or consumed in a month: 0.303 cents per kilowatt-hour;

(iv) For the next 400,000 kilowatt-hours used or consumed in a month: 0.297 cents per kilowatt-hour;

(v) For the next 500,000 kilowatt-hours used or consumed in a month: 0.286 cents per kilowatt-hour;

(vi) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.270 cents per kilowatt-hour;

(vii) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.254 cents per kilowatt-hour;

(viii) For the next 5,000,000 kilowatt-hours used or consumed in a month: 0.233 cents per kilowatt-hour;

(ix) For the next 10,000,000 kilowatt-hours used or consumed in a month: 0.207 cents per kilowatt-hour;

(x) For all electricity in excess of 20,000,000 kilowatt-hours used or consumed in a month: 0.202 cents per kilowatt-hour.

Provided, that in lieu of the foregoing rates, the tax is imposed on a self-assessing purchaser at the rate of 5.1% of the self-assessing purchaser's purchase price for all electricity distributed, supplied, furnished, sold, transmitted and delivered to the self-assessing purchaser in a
(b) A tax is imposed on the privilege of using in this State electricity purchased from a municipal system or electric cooperative, as defined in Article XVII of the Public Utilities Act, which has not made an election as permitted by either Section 17-200 or Section 17-300 of such Act, at the lesser of 0.32 cents per kilowatt hour of all electricity distributed, supplied, furnished, sold, transmitted, and delivered by such municipal system or electric cooperative to the purchaser or 5% of each such purchaser's purchase price for all electricity distributed, supplied, furnished, sold, transmitted, and delivered by such municipal system or electric cooperative to the purchaser, whichever is the lower rate as applied to each purchaser in each billing period.

(c) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity by business enterprises certified under Section 9-222.1 or 9-222.1A of the Public Utilities Act, as amended, to the extent of such exemption and during the time specified by the Department of Commerce and Economic Opportunity; or with respect to any transaction in interstate commerce, or otherwise, to the extent to which such transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

(d) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity at a REV Illinois Project
site that has received a certification for tax exemption from
the Department of Commerce and Economic Opportunity pursuant
to Section 95 of the Reimagining Electric Vehicles in Illinois
Act, to the extent of such exemption, which shall be no more
than 10 years.

(e) The tax imposed by this Section 2-4 is not imposed with
respect to any use of electricity at a project site that has
received a certification for tax exemption from the Department
of Commerce and Economic Opportunity pursuant to the
Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,
to the extent of such exemption, which shall be no more than 10
years.

(Source: P.A. 102-669, eff. 11-16-21.)

Section 110-930. The Public Utilities Act is amended by
changing Section 9-222 as follows:

(220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

Sec. 9-222. Whenever a tax is imposed upon a public
utility engaged in the business of distributing, supplying,
furnishing, or selling gas for use or consumption pursuant to
Section 2 of the Gas Revenue Tax Act, or whenever a tax is
required to be collected by a delivering supplier pursuant to
Section 2-7 of the Electricity Excise Tax Act, or whenever a
tax is imposed upon a public utility pursuant to Section 2-202
of this Act, such utility may charge its customers, other than
customers who are high impact businesses under Section 5.5 of the Illinois Enterprise Zone Act, electric vehicle manufacturers, electric vehicle component parts manufacturers, or electric vehicle power supply equipment manufacturers at REV Illinois Project sites as certified under Section 95 of the Reimagining Electric Vehicles in Illinois Act, manufacturers under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, or certified business enterprises under Section 9-222.1 of this Act, to the extent of such exemption and during the period in which such exemption is in effect, in addition to any rate authorized by this Act, an additional charge equal to the total amount of such taxes. The exemption of this Section relating to high impact businesses shall be subject to the provisions of subsections (a), (b), and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act. This requirement shall not apply to taxes on invested capital imposed pursuant to the Messages Tax Act, the Gas Revenue Tax Act and the Public Utilities Revenue Act. Such utility shall file with the Commission a supplemental schedule which shall specify such additional charge and which shall become effective upon filing without further notice. Such additional charge shall be shown separately on the utility bill to each customer. The Commission shall have the power to investigate whether or not such supplemental schedule correctly specifies such additional charge, but shall have no power to suspend such supplemental schedule. If the Commission finds, after a
hearing, that such supplemental schedule does not correctly specify such additional charge, it shall by order require a refund to the appropriate customers of the excess, if any, with interest, in such manner as it shall deem just and reasonable, and in and by such order shall require the utility to file an amended supplemental schedule corresponding to the finding and order of the Commission. Except with respect to taxes imposed on invested capital, such tax liabilities shall be recovered from customers solely by means of the additional charges authorized by this Section.

(Source: P.A. 102-669, eff. 11-16-21.)

ARTICLE 999. EFFECTIVE DATE

Section 999-99. Effective date. This Act takes effect upon becoming law, except that Article 100 takes effect on July 1, 2023.